

August 15, 2017

RECEIVED

AUG 17 2017

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson
Springfield, Illinois 62761

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Dear Ms. Avery:

On behalf of Memorial Medical Center – Woodstock d/b/a Centegra Hospital – Woodstock, Centegra Health System, Northern Illinois Medical Center d/b/a Centegra Hospital – Huntley and Northern Illinois Medical Center d/b/a Centegra Hospital – McHenry, I am enclosing one check for \$2,500 and two copies of the Certificate of Need (CON) application that is described below.

This application proposes to establish the Comprehensive Physical Rehabilitation Category of Service and its authorized bed capacity of 22 beds at Centegra Hospital – Woodstock (Health Service Area 8) as a relocation of this category of service and its authorized bed capacity from Centegra Hospital – McHenry, which is in the same health service area for Comprehensive Physical Rehabilitation services.

Implementation of this project is contingent upon receipt of a Certificate of Exemption (COE) permit by Centegra Hospital – McHenry to discontinue the Comprehensive Physical Rehabilitation Category of Service and its authorized bed capacity of 22 beds. Because the two projects are interrelated, please place them on the same review schedule.

Please feel free to contact me, Daniel J. Lawler (312-214-4861, daniel.lawler@btlaw.com), or Andrea R. Rozran (312-266-0466, arozran@diversifiedhealth.net) if you have any questions.

Sincerely,



Hadley Streng
SVP, Strategy and Development
Centegra Health System
815-788-5858
hstreng@centegra.com

Enclosures

RECEIVEDILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

AUG 17 2017

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION HEALTH FACILITIES & SERVICES REVIEW BOARD

This Section must be completed for all projects.

ORIGINAL**Facility/Project Identification**

Facility Name: Centegra Hospital – Woodstock		
Street Address: 3701 Doty Road		
City and Zip Code: Woodstock 60098		
County: McHenry	Health Service Area: HSA-08	Health Planning Area: A-10

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Memorial Medical Center – Woodstock d/b/a Centegra Hospital – Woodstock		
Street Address: 3701 Doty Road		
City and Zip Code: Woodstock 60098		
Name of Registered Agent: Centegra Health System		
Registered Agent Street Address: 385 Millennium Drive		
Registered Agent City and Zip Code: Crystal Lake 60012		
Name of Chief Executive Officer: Mr. Michael S. Eesley, FACHE		
CEO Street Address: 385 Millennium Drive		
CEO City and Zip Code: Crystal Lake 60012		
CEO Telephone Number: (815)788-5823		

Type of Ownership of Applicants

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Hadley Streng
Title: Senior Vice President, Strategy and Development
Company Name: Centegra Health System
Address: 385 Millennium Drive, Crystal Lake, IL 60012
Telephone Number: (815)788-5858
E-mail Address: hstreng@centegra.com
Fax Number: (815)788-5263

Additional Contact [Person who is also authorized to discuss the application for permit]

Name: Andrea R. Rozran
Title: Principal
Company Name: Diversified Health Resources, Inc.
Address: 65 E. Scott Street, Chicago, IL 60610
Telephone Number: (312) 266-0466
E-mail Address: arozran@diversifiedhealth.net
Fax Number: (312) 266-0715

Additional Contact [Person who is also authorized to discuss the application for exemption permit]

Name: Mr. Daniel J. Lawler
Title: Partner
Company Name: Barnes & Thornburg, LLP
Address: 1 N. Wacker Drive, Suite 4400, Chicago, IL 60606
Telephone Number: (312) 214-4861
E-mail Address: daniel.lawler@btlaw.com
Fax Number: (312) 759-5646

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Centegra Health System
Street Address: 385 Millennium Dr.
City and Zip Code: Crystal Lake 60012
Name of Registered Agent: Mr. Michael S. Eesley, FACHE
Registered Agent Street Address: 385 Millennium Dr.
Registered Agent City and Zip Code: Crystal Lake 60012
Name of Chief Executive Officer: Mr. Michael S. Eesley, FACHE
CEO Street Address: 385 Millennium Dr.
CEO City and Zip Code: Crystal Lake 60012
CEO Telephone Number: (815) 788-5823

Type of Ownership of Applicants

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<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
	<input type="checkbox"/> Other

o Corporations and limited liability companies must provide an Illinois certificate of good standing.

o Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Northern Illinois Medical Center d/b/a Centegra Hospital - Huntley
Street Address: 10400 Haligus Road
City and Zip Code: Huntley 60142
Name of Registered Agent: Mr. Michael S. Eesley, FACHE
Registered Agent Street Address: 385 Millennium Dr.
Registered Agent City and Zip Code: Crystal Lake 60012
Name of Chief Executive Officer: Mr. Michael S. Eesley, FACHE
CEO Street Address: 385 Millennium Dr.
CEO City and Zip Code: Crystal Lake 60012
CEO Telephone Number: (815) 788-5823

Type of Ownership of Applicants

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Northern Illinois Medical Center d/b/a Centegra Hospital - McHenry
Street Address: 4201 Medical Center Drive
City and Zip Code: McHenry 60050
Name of Registered Agent: Mr. Michael S. Eesley, FACHE
Registered Agent Street Address: 385 Millennium Dr.
Registered Agent City and Zip Code: Crystal Lake 60012
Name of Chief Executive Officer: Mr. Michael S. Eesley, FACHE
CEO Street Address: 385 Millennium Dr.
CEO City and Zip Code: Crystal Lake 60012
CEO Telephone Number: (815) 788-5823

Type of Ownership of Applicants

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960]

Name: Hadley Streng
Title: Senior Vice President, Strategy and Development
Company Name: Centegra Health System
Address: 385 Millennium Drive, Crystal Lake, IL 60012
Telephone Number: (815)788-5858
E-mail Address: hstreng@centegra.com
Fax Number: (815)788-5263

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Memorial Medical Center – Woodstock d/b/a Centegra Hospital - Woodstock
Address of Site Owner: 3701 Doty Road, Woodstock, IL 60098
Street Address or Legal Description of the Site: Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Memorial Medical Center – Woodstock d/b/a Centegra Hospital - Woodstock			
Address: 3701 Doty Road, Woodstock, IL 60098			
<input checked="" type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
		<input type="checkbox"/>	Other
<ul style="list-style-type: none"> Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. 			
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS **ATTACHMENT 5**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS **ATTACHMENT 6**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT**1. Project Classification**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- ☒ Substantive
☐ Non-substantive

2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

This project proposes to establish the Comprehensive Physical Rehabilitation Category of Service and an authorized bed capacity of 22 beds at Memorial Medical Center - Woodstock d/b/a Centegra Hospital – Woodstock as a relocation of this category of service and its authorized bed capacity from Northern Illinois Medical Center d/b/a Centegra Hospital – McHenry.

This Certificate of Need (CON) application is being submitted simultaneously with an application for a Certificate of Exemption (COE) to discontinue the Comprehensive Physical Rehabilitation Category of Service with an authorized bed capacity of 22 beds at Centegra Hospital – McHenry. The Illinois Health Facilities Planning Act (ILCS 3960/5(c)) requires submission of a CON application to change the bed capacity of a hospital by relocating beds from one location to another. A CON application is required to establish a new category of service, such as the Comprehensive Physical Rehabilitation Category of Service, while a COE is required to discontinue a category of service within an existing healthcare facility (ILCS 3960/12(8)(b)).

Both Centegra Hospital - McHenry and Centegra Hospital – Woodstock, together with Northern Illinois Medical Center d/b/a Centegra Hospital – Huntley, are owned and operated by Centegra Health System, all of which are located in the same county (McHenry) and the same planning area for acute care services (Planning Area A-10). These three hospitals have a unified medical staff, which permits members of their medical staffs to admit and treat patients at each of the three hospitals. The hospitals utilize a common medical record, which permits medical professionals to access and utilize patients' medical records at any of the hospitals.

Both Centegra Hospital - McHenry and Centegra Hospital - Woodstock are located in the same planning area for the Comprehensive Physical Rehabilitation Category of Service (Health Service Area 8). The hospitals are located 9.6 miles apart, and the travel time between them is approximately 16 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)).

This project is "Substantive" in accordance with the Illinois Health Facilities Planning Act (20 ILCS 3960/12(8)(b)(1)) because it proposes to establish a new category of service within an existing healthcare facility.

This project and the application for a COE to discontinue the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry are interrelated. Implementation of this project is contingent upon receipt of a COE for Centegra Hospital – McHenry to discontinue its Comprehensive Physical Rehabilitation Category of Service.

The Comprehensive Physical Rehabilitation Category of Service and its authorized bed capacity are anticipated to become operational at Centegra Hospital - Woodstock by the end of calendar year 2018.

The total project cost is \$3,964,676.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$46,000	\$0	\$46,000
Site Survey and Soil Investigation	\$0	\$0	\$0
Site Preparation	\$0	\$0	\$0
Off Site Work	\$0	\$0	\$0
New Construction Contracts	\$0	\$0	\$0
Modernization Contracts	\$3,081,149	\$0	\$3,081,149
Contingencies	\$462,172	\$0	\$462,172
Architectural/Engineering Fees	\$236,750	\$0	\$236,750
Consulting and Other Fees	\$58,306	\$0	\$58,306
Movable or Other Equipment (not in construction contracts)	\$80,299	\$0	\$80,299
Bond Issuance Expense (project related)	\$0	\$0	\$0
Net Interest Expense During Construction (project related)	\$0	\$0	\$0
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs To Be Capitalized	\$0	\$0	\$0
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
TOTAL USES OF FUNDS	\$3,964,676	\$0	\$3,964,676
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$3,964,676	\$0	\$3,964,676
Pledges	\$0	\$0	\$0
Gifts and Bequests	\$0	\$0	\$0
Bond Issues (project related)	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Leases (fair market value)	\$0	\$0	\$0
Governmental Appropriations	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Other Funds and Sources	\$0	\$0	\$0
TOTAL SOURCES OF FUNDS	\$3,964,676		\$3,964,676
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Purchase Price: \$	_____	
Fair Market Value: \$	_____	
The project involves the establishment of a new facility or a new category of service <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.		
Estimated start-up costs and operating deficit cost is \$ <u>\$25,000</u>		

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.	
Indicate the stage of the project's architectural drawings:	
<input type="checkbox"/> None or not applicable	<input checked="" type="checkbox"/> Preliminary
<input type="checkbox"/> Schematics	<input type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): <u>September 30, 2019</u>	
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):	
<input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.	
<input type="checkbox"/> Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies	
<input checked="" type="checkbox"/> Financial Commitment will occur after permit issuance.	
APPEND DOCUMENTATION AS <u>ATTACHMENT 8</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable:
<input checked="" type="checkbox"/> Cancer Registry
<input checked="" type="checkbox"/> APORS
<input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
<input checked="" type="checkbox"/> All reports regarding outstanding permits
Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

- Provide in the following format, the **Departmental Gross Square Feet (DGSF)** or the **Building Gross Square Feet (BGSF)** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

APPEND DOCUMENTATION AS ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is available**. Include **observation days in the patient day totals for each bed service**. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME: Centegra Hospital – Woodstock		CITY: Woodstock			
REPORTING PERIOD DATES: From: January 1, 2016 to: December 31, 2016					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	60	3,049	13,130	0	60
Obstetrics	0	0	0	0	0
Pediatrics	0	0	0	0	0
Intensive Care	12	445*	2,034**	0	12
Comprehensive Physical Rehabilitation	0	0	0	+22	22
Acute/Chronic Mental Illness	34	1,338	8,810	0	34
Neonatal Intensive Care	0	0	0	0	0
General Long Term Care	0	0	0	0	0
Specialized Long Term Care	0	0	0	0	0
Long Term Acute Care	0	0	0	0	0
Other (identify)	0	0	0	0	0
TOTALS:	106	4,832	23,974	+22	128

*Includes only inpatients admitted directly to ICU. Transfers to the ICU from another unit within the hospital totaled 130.

**Includes patient days from ICU direct admission and patient days from ICU transfers.

This Certificate of Need (CON) application is being submitted simultaneously with a Certificate of Exemption (COE) application to discontinue the Medical/Surgical Category of Service and its authorized bed capacity of 60 beds and the Intensive Care Category of Service and its authorized bed capacity of 12 beds at Centegra Hospital – Woodstock.


CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.


This Application is filed on the behalf of Memorial Medical Center – Woodstock d/b/a Centegra Hospital - Woodstock*

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.


SIGNATURE

Michael S. Eesley
PRINTED NAME

Chief Executive Officer
PRINTED TITLE



SIGNATURE

Aaron T. Shepley
PRINTED NAME

General Counsel
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 14th day of August, 2017


Signature of Notary

Seal

OFFICIAL SEAL
DIANNE R MCLAREN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 12/15/19

*Insert the EXACT legal name of the applicant

Notarization:

Subscribed and sworn to before me
this 14th day of August, 2017


Signature of Notary

Seal

OFFICIAL SEAL
DIANNE R MCLAREN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 12/15/19

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Centegra Health System* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Michael S. Eesley
PRINTED NAME

Chief Executive Officer
PRINTED TITLE

SIGNATURE

Aaron T. Shepley
PRINTED NAME

General Counsel
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 14th day of August, 2017

Dianne R. McLaren
Signature of Notary

Seal

OFFICIAL SEAL
DIANNE R MCLAREN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 12/15/19

Notarization:

Subscribed and sworn to before me
this 14th day of August, 2017

Dianne R. McLaren
Signature of Notary

Seal

OFFICIAL SEAL
DIANNE R MCLAREN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 12/15/19

*Insert the EXACT legal name of the applicant

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Northern Illinois Medical Center d/b/a Centegra Hospital - Huntley*

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Michael S. Eesley
PRINTED NAME

Chief Executive Officer
PRINTED TITLE

SIGNATURE

Aaron T. Shepley
PRINTED NAME

General Counsel
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 14th day of August, 2017

Dianne R. McLaren
Signature of Notary

Seal



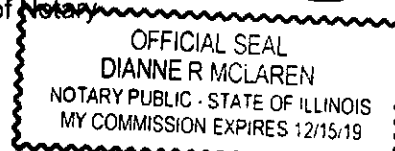
*Insert the EXACT legal name of the applicant

Notarization:

Subscribed and sworn to before me
this 14th day of August, 2017

Dianne R. McLaren
Signature of Notary

Seal



CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Northern Illinois Medical Center d/b/a Centegra Hospital - McHenry*

in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Michael S. Eesley
PRINTED NAME

Chief Executive Officer
PRINTED TITLE

SIGNATURE

Aaron T. Shepley
PRINTED NAME

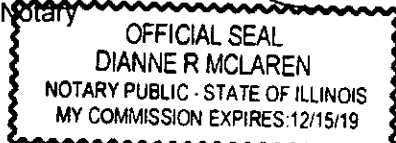
General Counsel
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 14th day of August, 2017

Dianne R. McLaren
Signature of Notary

Seal



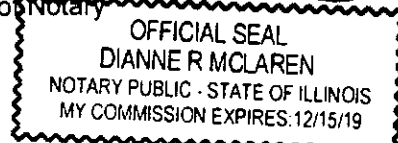
*Insert the EXACT legal name of the applicant

Notarization:

Subscribed and sworn to before me
this 14th day of August, 2017

Dianne R. McLaren
Signature of Notary

Seal



SECTION III. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Background

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1110.230 – Purpose of the Project, and Alternatives**PURPOSE OF PROJECT**

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

For projects involving modernization, describe the conditions being upgraded, if any. For facility projects, include statements of the age and condition of the project site, as well as regulatory citations, if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Staff Report.

APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative and it shall include the basis used for determining the space and the methodology applied.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.
 - c. The project involves the conversion of existing space that results in excess square footage.
 - d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. A narrative of the rationale that supports the projections must be provided.

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT 15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

B. Criterion 1110.630 - Comprehensive Physical Rehabilitation

1. Applicants proposing to establish, expand and/or modernize the Comprehensive Physical Rehabilitation category of service must submit the following information:
2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input checked="" type="checkbox"/> Comprehensive Physical Rehabilitation	0	22

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.630(c)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.630(c)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.630(c)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.630(c)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.630(c)(5) - Planning Area Need - Service Accessibility	X		
1110.630(d)(1) - Unnecessary Duplication of Services	X		
1110.630(d)(2) - Maldistribution	X		
1110.630(d)(3) - Impact of Project on Other Area Providers	X		
1110.630(e)(1), (2), and (3) - Deteriorated Facilities			X
1110.630(e)(4) - Occupancy			X
1110.630(f)(1) - Staffing Availability	X	X	
1110.630(g) - Performance Requirements	X	X	X
1110.630(h) - Assurances	X	X	
APPEND DOCUMENTATION AS <u>ATTACHMENT 20</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

M. Criterion 1110.3030 - Clinical Service Areas Other than Categories of Service

1. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than categories of service must submit the following information:
2. Indicate changes by Service: Indicate # of key room changes by action(s):

Service	# Existing Key Rooms	# Proposed Key Rooms
<input checked="" type="checkbox"/> Rehabilitation Therapies (Physical Therapy, Occupational Therapy, Speech Therapy)	n/a	n/a
<input type="checkbox"/>		
<input type="checkbox"/>		

3. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

Project Type	Required Review Criteria
New Services or Facility or Equipment	(c) - Need Determination - Establishment
Service Modernization	(d)(1) - Deteriorated Facilities
	AND/OR
	(d)(2) - Necessary Expansion
	PLUS
	(d)(3)(A) - Utilization - Major Medical Equipment
	OR
	(d)(3)(B) - Utilization - Service or Facility
APPEND DOCUMENTATION AS <u>ATTACHMENT 31</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18-month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

VII. 1120.120 - AVAILABILITY OF FUNDS

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable [Indicate the dollar amount to be provided from the following sources]:

	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1)	the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2)	interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1)	For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2)	For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3)	For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4)	For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5)	For any option to lease, a copy of the option, including all terms and conditions.

_____	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
TOTAL FUNDS AVAILABLE	

APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VIII. 1120.130 - FINANCIAL VIABILITY

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver This section does not apply because all of the projects capital expenditures will be completely funded through internal sources.

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS **ATTACHMENT 35**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

	Historical 3 Years			Projected
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS **ATTACHMENT 36**, IN NUMERIC ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE STATE-OWNED HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Comprehensive Physical Rehabilitation	n/a	\$169.21	n/a	n/a	13,874	n/a	n/a	\$2,347,556	\$2,347,556
Rehabilitation Therapies	n/a	\$146.08	n/a	n/a	5,022	n/a	n/a	\$733,593	\$733,593
Contingency	n/a	\$24.46	n/a	n/a	18,896	n/a	n/a	\$462,172	\$462,172
TOTALS	n/a	\$187.52	n/a	n/a	18,896	n/a	n/a	\$3,543,321	\$3,543,321
* Include the percentage (%) of space for circulation									

regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 38.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION XI. CHARITY CARE INFORMATION

Charity Care information **MUST** be furnished for **ALL** projects [1120.20(c)].

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care **must** be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 39.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS **ATTACHMENT 39**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	29-32
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3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	53
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	54-55
5	Flood Plain Requirements	56-60
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10	Discontinuation	
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18	Master Design Project	
	Service Specific:	
19	Medical Surgical Pediatrics, Obstetrics, ICU	
20	Comprehensive Physical Rehabilitation	102-132
21	Acute Mental Illness	
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26	Selected Organ Transplantation	
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28	Subacute Care Hospital Model	
29	Community-Based Residential Rehabilitation Center	
30	Long Term Acute Care Hospital	
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32	Freestanding Emergency Center Medical Services	
33	Birth Center	
	Financial and Economic Feasibility:	
34	Availability of Funds	140-142
35	Financial Waiver	143
36	Financial Viability	144
37	Economic Feasibility	145-146
38	Safety Net Impact Statement	147-173
39	Charity Care Information	174-175
APPENDIX 1	Physician Referral Letters	176-182
APPENDIX 2	Mapquest Travel Times	183-187



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

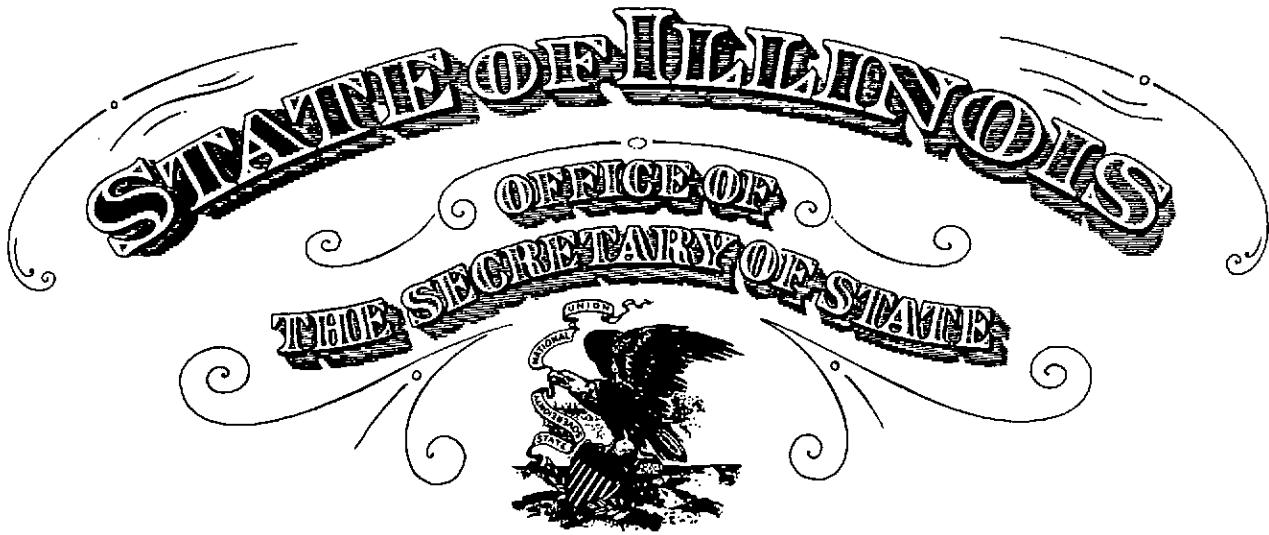
MEMORIAL MEDICAL CENTER-WOODSTOCK, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 09, 1914, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 5TH
day of JULY A.D. 2017 .***

Jesse White

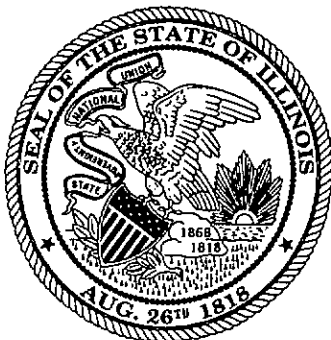
SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

CENTEGRA HEALTH SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 01, 1982, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 11TH day of JULY A.D. 2017 .

Jesse White

SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

NORTHERN ILLINOIS MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MARCH 16, 1956, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 13TH
day of JULY A.D. 2017 .***

Jesse White

SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

NORTHERN ILLINOIS MEDICAL CENTER, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MARCH 16, 1956, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 13TH day of JULY A.D. 2017 .

Jesse White

SECRETARY OF STATE



Ticor Title Insurance Company

Commitment for Title Insurance

TICOR TITLE INSURANCE COMPANY ("Company"), for valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the Land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedule A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate 6 months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

IN WITNESS WHEREOF, Ticor Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.



TICOR TITLE INSURANCE COMPANY

By

Authorized Signatory

TICOR TITLE INSURANCE COMPANY
COMMITMENT FOR TITLE INSURANCE
SCHEDULE A

YOUR REFERENCE: UNKNOWN

ORDER NO.: 2000 000690924 SM

EFFECTIVE DATE: JULY 1, 2008

PREPARED FOR:

BELL, BOYD & LLOYD/ATTY-CHICAGO
70 WEST MADISON STREET, SUITE 3200
CHICAGO, ILLINOIS 60602-4207
PHONE: (312) 807-4207
FAX:

1. POLICY OR POLICIES TO BE ISSUED:

LOAN POLICY: ALTA LOAN 2006
AMOUNT: \$1,000,000.00
PROPOSED INSURED: BANK OF NEW YORK MELLON TRUST COMPANY, ITS SUCCESSORS AND/OR
ASSIGNS, AS THEIR INTERESTS MAY APPEAR

2. THE ESTATE OR INTEREST IN THE LAND DESCRIBED OR REFERRED TO IN THIS COMMITMENT IS
FEE SIMPLE, UNLESS OTHERWISE NOTED.

3. TITLE TO THE ESTATE OR INTEREST IN THE LAND IS AT THE EFFECTIVE DATE VESTED IN:
NORTHERN ILLINOIS MEDICAL CENTER, A NOT-FOR-PROFIT CORPORATION, AS TO PARCELS ONE,
TWO, THREE, FOUR AND FIVE;

MEMORIAL MEDICAL CENTER-WOODSTOCK, A NOT-FOR-PROFIT CORPORATION, AS TO PARCELS SIX,
SEVEN, EIGHT, NINE, TEN, ELEVEN AND TWELVE.

4. MORTGAGE OR TRUST DEED TO BE INSURED:
TO COME.

TICOR TITLE INSURANCE COMPANY
COMMITMENT FOR TITLE INSURANCE

ORDER NO.: 2000 000690924 SM

SCHEDULE A (CONTINUED)

YOUR REFERENCE: UNKNOWN

EFFECTIVE DATE: July 1, 2008

5. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS :
PARCEL 1:

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 3 AND THE SOUTHWEST QUARTER OF SECTION 2, ALL IN TOWNSHIP 44 NORTH RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 3 (THE NORTH LINE OF THE SOUTHEAST QUARTER OF SECTION 3 HAVING AN ASSUMED BEARING OF SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST FOR THIS LEGAL DESCRIPTION); THENCE SOUTH 00 DEGREES 44 MINUTES 48 SECONDS WEST ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 3, 937.11 FEET TO A POINT OF BEGINNING; THENCE SOUTH 70 DEGREES 48 MINUTES 48 SECONDS EAST, 60.09 FEET TO A POINT OF CURVATURE; THENCE SOUTHERLY ALONG A CURVED LINE CONVEX EASTERLY, HAVING A RADIUS OF 25.00 FEET AND BEING TANGENT TO SAID LAST DESCRIBED LINE AS SAID LAST DESCRIBED POINT, AN ARC DISTANCE OF 39.27 FEET TO A POINT OF TANGENCY WITH A LINE 451.00 FEET; AS MEASURED AT RIGHT ANGLES, NORTHWESTERLY OF AND PARALLEL WITH THE CENTER LINE OF STATE ROUTE 31 PER INSTRUMENT RECORDED OCTOBER 7, 1927, IN BOOK 12 OF MISCELLANEOUS RECORDS, PAGE 167 (THE CHORD OF SAID LAST DESCRIBED ARC BEARS SOUTH 25 DEGREES 48 MINUTES 48 SECONDS EAST, 35.36 FEET); THENCE SOUTH 19 DEGREES 11 MINUTES 12 SECONDS WEST ALONG SAID LAST DESCRIBED PARALLEL TO A LINE, 455.19 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 24.35 FEET TO A LINE 443.00 FEET, AS MEASURED AT RIGHT ANGLES, NORTHWESTERLY OF AND PARALLEL WITH SAID CENTER LINE OF STATE ROUTE 31; THENCE SOUTH 19 DEGREES 11 MINUTES 12 SECONDS WEST ALONG SAID LAST DESCRIBED PARALLEL LINE, 71.95 FEET TO A POINT OF CURVATURE; THENCE SOUTHWESTERLY ALONG A CURVED LINE CONVEX SOUTHEASTERLY, HAVING A RADIUS OF 120.00 FEET AND BEING TANGENT TO SAID LAST DESCRIBED LINE AT SAID LAST DESCRIBED POINT, AN ARC DISTANCE OF 104.24 FEET TO A LINE 1583.37 FEET, AS MEASURED AT RIGHT ANGLES, SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 3 (THE CHORD OF SAID LAST DESCRIBED ARC BEARS SOUTH 44 DEGREES 04 MINUTES 26 SECONDS WEST, 100.99 FEET); THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID LAST DESCRIBED PARALLEL LINE, 590.74 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 247.53 FEET TO AN INTERSECTION WITH A LINE 1335.84 FEET, AS MEASURED AT RIGHT ANGLES, SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 3; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID LAST DESCRIBED PARALLEL LINE, 60.00 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 205.00 FEET; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 25.00 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 297.00 FEET TO A POINT 739.30 FEET WEST AND 833.84 FEET SOUTH OF THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 3, AS MEASURED ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER AND ALONG A LINE AT RIGHT ANGLES THERETO; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 3, 283.00 FEET TO A POINT OF CURVATURE; THENCE EASTERLY ALONG A CURVED LINE CONVEX NORTHERLY, HAVING A RADIUS OF 872.94 FEET AND BEING TANGENT TO SAID LAST DESCRIBED LINE AS SAID LAST DESCRIBED POINT, AN ARC DISTANCE OF 292.32 FEET TO A POINT OF TANGENCY (THE CHORD OF SAID ARC BEARS SOUTH 80 DEGREES 24 MINUTES 24 SECONDS EAST, 290.96 FEET); THENCE SOUTH 70 DEGREES 48 MINUTES 48 SECONDS EAST ALONG A LINE TANGENT TO SAID LAST DESCRIBED CURVED LINE AT SAID LAST DESCRIBED POINT, 166.44 FEET TO THE POINT OF BEGINNING, IN MC HENRY COUNTY, ILLINOIS.

CONTINUED ON NEXT PAGE

TICOR TITLE INSURANCE COMPANY
COMMITMENT FOR TITLE INSURANCE
SCHEDULE A (CONTINUED)

ORDER NO.: 2000 000690924 SM

5. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS (CONTINUED):

PARCEL 2:

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 3 AND THE SOUTHWEST QUARTER OF SECTION 2, ALL IN TOWNSHIP 44 NORTH, RANGE 8 EAST OF THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 3, BEING ALSO THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 2, WITH THE NORTHERLY LINE OF MEDICAL CENTER DRIVE AS DEDICATED PER PLAT RECORDED MARCH 20, 1984 AS DOCUMENT 877386; THENCE NORTH 70 DEGREES 48 MINUTES 48 SECONDS WEST ALONG SAID NORTHERLY LINE OF MEDICAL CENTER DRIVE, 143.78 FEET TO A POINT OF CURVATURE IN SAID LINE; THENCE NORTHWESTERLY ALONG THE NORTHERLY LINE OF SAID MEDICAL CENTER DRIVE, BEING A CURVE LINE CONVEX NORTHEASTERLY, HAVING A RADIUS OF 940.94 FEET AND BEING TANGENT TO SAID LAST DESCRIBED LINE AT SAID LAST DESCRIBED POINT, AN ARC DISTANCE OF 246.18 FEET (THE CHORD OF SAID ARC BEARS NORTH 78 DEGREES 18 MINUTES 30 SECONDS WEST, 245.48 FEET); THENCE NORTH 11 DEGREES 15 MINUTES 42 SECONDS EAST, 158.03 FEET TO A LINE 157.00 FEET, AS MEASURED RADIIALLY, NORTHERLY OF AND CONCENTRIC WITH THE NORTHERLY LINE OF SAID MEDICAL CENTER DRIVE, THENCE SOUTHEASTERLY ALONG SAID LAST DESCRIBED CONCENTRIC LINE, BEING A CURVED LINE CONVEX NORTHEASTERLY AND HAVING A RADIUS OF 1097.94 FEET, AN ARC DISTANCE OF 267.82 FEET TO A POINT OF TANGENCY (THE CHORD OF SAID ARC BEARS SOUTH 77 DEGREES 48 MINUTES 05 SECONDS EAST, 267.15 FEET); THENCE SOUTH 70 DEGREES 48 MINUTES 48 SECONDS EAST ALONG A LINE 157.00 FEET, AS MEASURED AT RIGHT ANGLES, NORTHEASTERLY OF AND PARALLEL WITH THE NORTHERLY LINE OF SAID MEDICAL CENTER DRIVE, 311.89 FEET; THENCE SOUTH 19 DEGREES 04 MINUTES 14 SECONDS WEST, 175.00 FEET TO THE NORTH LINE OF SAID MEDICAL CENTER DRIVE; THENCE NORTH 70 DEGREES 48 MINUTES 48 SECONDS WEST ALONG THE NORTH LINE OF SAID MEDICAL CENTER DRIVE, 168.43 FEET TO THE POINT OF BEGINNING, IN MCHEMRY COUNTY, ILLINOIS.

PARCEL 3:

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 3 AND THE SOUTHWEST QUARTER OF SECTION 2, ALL IN TOWNSHIP 44 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 3 (THE NORTH LINE OF THE SOUTHEAST QUARTER OF SECTION 3 HAVING A ASSUMED BEARING OF SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST FOR THIS LEGAL DESCRIPTION); THENCE SOUTH 00 DEGREES 44 MINUTES 48 SECONDS WEST ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 3, 937.11 FEET TO A POINT OF BEGINNING; THENCE SOUTH 70 DEGREES 48 MINUTES 48 SECONDS EAST, 60.09 FEET TO A POINT OF CURVATURE, THENCE SOUTHERLY ALONG A CURVED LINE CONVEX EASTERLY, HAVING A RADIUS OF 25.00 FEET AND BEING TANGENT TO SAID LAST DESCRIBED LINE AS SAID LAST DESCRIBED POINT, AN ARC DISTANCE OF 39.27 FEET TO A POINT OF TANGENCY WITH A LINE 451.00 FEET, AS MEASURED AT RIGHT ANGLES, NORTHWESTERLY OF AND PARALLEL WITH THE CENTER LINE OF STATE ROUTE 31 PER INSTRUMENT RECORDED OCTOBER 7, 1927, IN BOOK 12 OF MISCELLANEOUS RECORDS, PAGE 167 (THE CHORD OF SAID LAST DESCRIBED ARC BEARS SOUTH 25 DEGREES 48 MINUTES 48 SECONDS EAST, 35.36 FEET); THENCE SOUTH 19 DEGREES 11 MINUTES 12 SECONDS WEST ALONG SAID LAST DESCRIBED PARALLEL LINE, 455.19 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 24.35 FEET TO A LINE 433.00 FEET, AS MEASURED AT RIGHT ANGLES, NORTHWESTERLY OF AND PARALLEL WITH SAID CENTER LINE OF STATE ROUTE 31; THENCE NORTH 19 DEGREES 11 MINUTES 12 SECONDS EAST ALONG

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COMMITMENT FOR TITLE INSURANCE
SCHEDULE A (CONTINUED)

ORDER NO.: 2000 000690924 SM

5. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS (CONTINUED):

SAID LAST DESCRIBED PARALLEL LINE, 478.18 FEET TO A POINT OF CURVATURE; THENCE NORTHERLY ALONG A CURVED LINE CONVEX EASTERLY, HAVING A RADIUS OF 33.00 FEET AND BEING TANGENT TO SAID LAST DESCRIBED LINE AT SAID LAST DESCRIBED POINT AN ARC DISTANCE OF 51.84 FEET TO A POINT OF TANGENCY WITH THE SOUTHERLY LINE OF MEDICAL CENTER DRIVE ACCORDING TO THE PLAT OF DEDICATION RECORDED MARCH 20, 1984 AS DOCUMENT 877386 (THE CHORD OF SAID LAST DESCRIBED ARC BEARS NORTH 25 DEGREES 48 MINUTES 48 SECONDS WEST, 46.67 FEET); THE FOLLOWING 3 COURSES ARE ALONG THE SOUTHERLY LINE OF SAID MEDICAL CENTER DRIVE; THENCE NORTH 70 DEGREES 48 MINUTES 48 SECONDS WEST, 226.53 FEET TO A POINT OF CURVATURE IN SAID LINE; THENCE WESTERLY ALONG A CURVED LINE CONVEX NORTHERLY, HAVING A RADIUS OF 880.94 FEET AND BEING TANGENT TO SAID LAST DESCRIBED LINE AT SAID LAST DESCRIBED POINT, AND ARC DISTANCE OF 295.00 FEET TO A POINT OF TANGENCY IN SAID LINE (THE CHORD OF SAID ARC BEARS NORTH 80 DEGREES 24 MINUTES 24 SECONDS WEST, 293.63 FEET); THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 283.00 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 8.00 FEET TO A POINT 739.30 FEET WEST AND 833.84 FEET SOUTH OF THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 3, AS MEASURED ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER AND ALONG A LINE AT RIGHT ANGLES THERETO; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 3, 283.00 FEET TO A POINT OF CURVATURE; THENCE EASTERLY ALONG A CURVED LINE CONVEX NORTHERLY, HAVING A RADIUS OF 872.94 FEET AND BEING TANGENT TO SAID LAST DESCRIBED LINE AS SAID LAST DESCRIBED POINT, AN ARC DISTANCE OF 292.32 FEET TO A POINT OF TANGENCY (THE CHORD OF SAID ARC BEARS SOUTH 80 DEGREES 24 MINUTES 24 SECONDS EAST 290.96 FEET); THENCE SOUTH 70 DEGREES 48 MINUTES 48 SECONDS EAST ALONG A LINE TANGENT TO SAID LAST DESCRIBED CURVED LINE AT SAID LAST DESCRIBED POINT, 166.44 FEET TO THE POINT OF BEGINNING, IN MCHENRY COUNTY, ILLINOIS.

PARCEL 4:

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 44 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 3, (THE NORTH LINE OF THE SOUTHEAST QUARTER OF SECTION 3 HAVING AN ASSUMED BEARING OF SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST FOR THIS LEGAL DESCRIPTION); THENCE SOUTH 00 DEGREES 44 MINUTES 48 SECONDS WEST ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 3, 937.11 FEET; THENCE SOUTH 70 DEGREES 48 MINUTES 48 SECONDS EAST, 60.09 FEET TO A POINT OF CURVATURE; THENCE SOUTHERLY ALONG A CURVED LINE CONVEX EASTERLY, HAVING A RADIUS OF 25.00 FEET AND BEING TANGENT TO SAID LAST DESCRIBED LINE AT SAID LAST DESCRIBED POINT, AN ARC DISTANCE OF 39.27 FEET TO A POINT OF TANGENCY WITH A LINE 451.00 FEET, AS MEASURED AT RIGHT ANGLES, NORTHWESTERLY OF AND PARALLEL WITH THE CENTER LINE OF STATE ROUTE 31 PER INSTRUMENT RECORDED OCTOBER 7, 1927, IN BOOK 12 OF MISCELLANEOUS RECORDS, PAGE 167 (THE CHORD OF SAID LAST DESCRIBED ARC BEARS SOUTH 25 DEGREES 48 MINUTES 48 SECONDS EAST, 36.36 FEET); THENCE SOUTH 19 DEGREES 11 MINUTES 12 SECONDS WEST ALONG SAID LAST DESCRIBED PARALLEL LINE, 455.19 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 164.86 FEET TO A LINE 1583.37 FEET, AS MEASURED AT RIGHT ANGLES, SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION, 3; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID LAST DESCRIBED PARALLEL LINE 93.90 FEET TO A POINT OF BEGINNING; THENCE CONTINUING SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID LAST DESCRIBED PARALLEL

TICOR TITLE INSURANCE COMPANY
COMMITMENT FOR TITLE INSURANCE
SCHEDULE A (CONTINUED)

ORDER NO.: 2000 000690924 SM

5. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS (CONTINUED):

LINE, 590.74 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 8.00 FEET TO A LINE 1591.37 FEET, AS MEASURED AT RIGHT ANGLES, SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 3; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID LAST DESCRIBED PARALLEL LINE, 547.65 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY ALONG A CURVED LINE CONVEX SOUTHEASTERLY, HAVING A RADIUS OF 120.00 FEET AND BEING TANGENT TO SAID LAST DESCRIBED LINE AS SAID LAST DESCRIBED POINT, AN ARC DISTANCE OF 44.07 FEET TO THE POINT OF BEGINNING (THE CHORD OF SAID ARC BEARS NORTH 79 DEGREES 28 MINUTES 43 SECONDS EAST, 43.82 FEET), IN MCHENRY COUNTY, ILLINOIS.

PARCEL 5:

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 44 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 3, THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST (BEING AN ASSUMED BEARING FOR THIS LEGAL DESCRIPTION) ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 3, 433.82 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST AT RIGHT ANGLES TO SAID LAST DESCRIBED LINE, 1651.37 FEET TO A POINT OF BEGINNING; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 207.18 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY ALONG A CURVED LINE CONVEX SOUTHEASTERLY, HAVING A RADIUS OF 180.00 FEET AND BEING TANGENT TO SAID LAST DESCRIBED LINE AT SAID LAST DESCRIBED POINT, AN ARC DISTANCE OF 120.02 FEET (THE CHORD OF SAID ARC BEARS NORTH 70 DEGREES 53 MINUTES 51 SECONDS EAST, 117.81 FEET); THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 254.02 FEET TO THE SOUTH LINE OF THE NORTH 1667 FEET, AS MEASURED ALONG THE EAST LINE THEREOF, OF THE SOUTHEAST QUARTER OF SECTION 3, AFORESAID; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST ALONG SAID LAST DESCRIBED SOUTH LINE, 223.50 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 151.50 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, 95.00 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST 63.97 FEET TO THE POINT OF BEGINNING, IN MCHENRY COUNTY, ILLINOIS.

PARCEL SIX:

THAT PART OF THE SOUTHWEST QUARTER OF THE NORTHEAST AND PART OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND PART OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER ALL IN SECTION 22 TOWNSHIP 44 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN BEING DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22; THENCE SOUTH 00 DEGREES 14 MINUTES 59 SECONDS WEST (ASSUMED BEARING) ALONG THE WEST LINE THEREOF, 66.00 FEET; THENCE SOUTH 89 DEGREES 39 MINUTES 08 SECONDS EAST ALONG A LINE PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22, A DISTANCE OF 811.40 FEET TO THE CENTER LINE OF U.S. ROUTE 14; THENCE SOUTH 40 DEGREES 00 MINUTES 33 SECONDS EAST, ALONG SAID CENTER LINE, 77.10 FEET; THENCE SOUTHEASTERLY CONTINUING ALONG SAID CENTER LINE 900.00 FEET ALONG A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 8594.40 FEET, THE CHORD OF SAID CURVE BEARS SOUTH 43 DEGREES 00 MINUTES 32 SECONDS EAST, 899.59 FEET TO A POINT OF COMPOUND CURVATURE; THENCE SOUTHEASTERLY 545.70 FEET ALONG SAID CENTER LINE AND SAID COMPOUND CURVE TO THE LEFT, HAVING A RADIUS OF 1014.50 FEET, THE CHORD OF SAID CURVE BEARS SOUTH 61 DEGREES 25 MINUTES 07 SECONDS EAST,

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COMMITMENT FOR TITLE INSURANCE
SCHEDULE A (CONTINUED)

ORDER NO.: 2000 000690924 SM

5. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS (CONTINUED):

539.14 FEET; THENCE SOUTH 76 DEGREES 49 MINUTES 42 SECONDS EAST ALONG SAID CENTER-LINE, 76.73 FEET TO A LINE 708.47 FEET EAST OF (AS MEASURED AT RIGHT ANGLES) AND PARALLEL WITH THE WEST LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 22 AND THE POINT OF BEGINNING; THENCE SOUTH 76 DEGREES 49 SECONDS 42 SECONDS EAST CONTINUING ALONG SAID CENTER LINE, 628.08 FEET TO THE EAST LINE OF THE SOUTHWEST QUARTER OR THE NORTHEAST QUARTER OF SAID SECTION 22; THENCE SOUTH 00 DEGREES 06 MINUTES 33 SECONDS WEST ALONG SAID EAST LINE, 30.80 FEET, THENCE NORTH 76 DEGREES 49 MINUTES 42 SECONDS WEST, 40.99 FEET TO THE WEST LINE OF DOTY-ROAD AS DEDICATED TO THE CITY OF WOODSTOCK AND RECORDED AUGUST 17, 1994 AS DOCUMENT NO. 94R048603; THENCE SOUTH 00 DEGREES 08 MINUTES 50 SECONDS WEST ALONG THE WEST LINE OF DOTY ROAD PER SAID DOCUMENT NO. 94R048603, A DISTANCE OF 958.32 FEET TO THE NORTH LINE OF MEMORIAL DRIVE AS DEDICATED PER SAID DOCUMENT NO. 94R048603; THENCE NORTH 89 DEGREES 51 MINUTES 10 SECONDS WEST ALONG SAID NORTH LINE OF MEMORIAL DRIVE, 866.24 FEET (RECORD 866.39 FEET); THENCE WESTERLY 49.52 FEET CONTINUING ALONG SAID NORTH LINE OF MEMORIAL DRIVE, BEING A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 480.00 FEET, THE CHORD OF SAID CURVE BEARS NORTH 86 DEGREES 52 MINUTES 46 SECONDS WEST, 49.80 FEET TO THE NORTHWEST CORNER OF SAID DRIVE; THENCE WESTERLY, NORTHWESTERLY AND NORTHERLY 704.73 FEET, CONTINUING ALONG SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 480.00 FEET, THE CHORD OF SAID CURVE BEARS NORTH 41 DEGREES 50 MINUTES 44 SECONDS WEST, 643.12 FEET TO A POINT OF REVERSE CURVATURE; THENCE NORTHERLY 79.99 FEET ALONG SAID REVERSE CURVE TO THE LEFT, HAVING A RADIUS OF 756.93 FEET, THE CHORD OF SAID CURVE BEARS NORTH 02 DEGREES 48 MINUTES 45 SECONDS WEST, 79.95 FEET TO A LINE 300.00 FEET SOUTH OF (AS MEASURED AT RIGHT ANGLES) AND PARALLEL WITH THE NORTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THE NORTH LINE OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 22; THENCE SOUTH 89 DEGREES 40 MINUTES 08 SECONDS ALONG SAID PARALLEL LINE, 778.07 FEET TO A LINE 708.47 FEET EAST OF (AS MEASURED AT RIGHT ANGLES) AND PARALLEL WITH THE WEST LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THE WEST LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 22; THENCE NORTH 00 DEGREES 10 MINUTES 42 SECONDS EAST ALONG SAID PARALLEL LINE, 563.51 FEET TO THE POINT OF BEGINNING, ALL IN MCHENNY COUNTY, ILLINOIS.

PARCEL SEVEN:

THE EAST 39.00 FEET (AS MEASURED AT RIGHT ANGLES) OF THE FOLLOWING-DESCRIBED PROPERTY HEREINAFTER BEING REFERRED TO AS THE "UNDERLYING PROPERTY": THE EAST 314.02 FEET (AS MEASURED AT RIGHT ANGLES) OF THE WEST 708.47 FEET (AS MEASURED AT RIGHT ANGLES) OF THE NORTH 300.00 FEET (AS MEASURED AT RIGHT ANGLES) OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN; TOGETHER WITH THE EAST 314.02 FEET (AS MEASURED AT RIGHT ANGLES) OF THE WEST 708.47 FEET (AS MEASURED AT RIGHT ANGLES) OF THAT OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER LYING SOUTH OF THE CENTER LINE OF U.S. ROUTE 14 IN SECTION 22, TOWNSHIP 44 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, MCHENNY COUNTY, ILLINOIS.

PARCEL EIGHT:

COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22; THENCE SOUTH 00 DEGREES 14 MINUTES 59 SECONDS WEST

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SCHEDULE A (CONTINUED)

ORDER NO.: 2000 000690924 SM

5. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS (CONTINUED):

(ASSUMED BEARING) ALONG THE WEST LINE THEREOF, 66.00 FEET; THENCE SOUTH 89 DEGREES 39 MINUTES 08 SECONDS EAST ALONG A LINE PARALLEL WITH THE NORTH LINE, OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22, A DISTANCE OF 811.40 FEET TO THE CENTER LINE OF U.S. ROUTE 14; THENCE SOUTH 40 DEGREES 00 MINUTES 32 SECONDS EAST, ALONG SAID CENTER LINE, 77.10 FEET; THENCE SOUTHEASTERLY CONTINUING ALONG SAID CENTER LINE, 900.00 FEET ALONG A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 8594.40 FEET, THE CHORD OF SAID CURVE BEARS SOUTH 43 DEGREES 00 MINUTES 32 SECONDS EAST, 899.59 FEET TO A POINT OF COMPOUND CURVATURE; THENCE SOUTHEASTERLY 290.06 FEET ALONG SAID CENTERLINE AND SAID COMPOUND CURVE TO THE LEFT, HAVING A RADIUS OF 1014.50 FEET, THE CHORD OF SAID CURVE BEARS SOUTH 54 DEGREES 11 MINUTES 59 SECONDS EAST, 289.08 FEET TO A LINE 394.45 FEET EAST OF (AS MEASURED AT RIGHT ANGLES) AND PARALLEL WITH THE WEST LINE OF THE NORTHEAST QUARTER AND THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 22; THENCE SOUTH 00 DEGREES 10 MINUTES 42 SECONDS WEST ALONG SAID PARALLEL LINE, 668.01 FEET TO A LINE 300.00 FEET SOUTH OF (AS MEASURED AT RIGHT ANGLES) AND PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 22, ALSO BEING THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 40 MINUTES 08 SECONDS WEST, 157.00 FEET; THENCE NORTH 00 DEGREES 10 MINUTES 42 SECONDS EAST, 130.85 FEET; THENCE SOUTH 89 DEGREES 40 MINUTES 08 SECONDS EAST, 157.00 FEET; THENCE SOUTH 00 DEGREES 10 MINUTES 42 SECONDS WEST, 130.85 FEET TO THE POINT OF BEGINNING, ALL IN MCHENRY COUNTY, ILLINOIS.

PARCEL NINE:

THE EAST 39.00 FEET (AS MEASURED AT RIGHT ANGLES) OF THE FOLLOWING DESCRIBED PROPERTY HEREINAFTER BEING REFERRED TO AS THE "UNDERLYING PROPERTY": EAST 314.02 FEET (AS MEASURED AT RIGHT ANGLES) OF THE WEST 708.47 FEET (AS MEASURED AT RIGHT ANGLES) OF THE NORTH 300.00 FEET (AS MEASURED AT RIGHT ANGLES) OF NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 44 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN; TOGETHER WITH THE EAST 314.02 FEET (AS MEASURED AT RIGHT ANGLES) OF THE WEST 708.47 FEET (AS MEASURED AT RIGHT ANGLES) OF THAT PART OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER LYING SOUTH OF THE CENTER LINE OF U.S. ROUTE 14 IN SECTION 22, TOWNSHIP 44 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, MCHENRY COUNTY, ILLINOIS.

PARCEL TEN:

THAT PART OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 44 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN- DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF THE SAID NORTHEAST QUARTER; THENCE NORTH 89 DEGREES 17 MINUTES 45 SECONDS WEST ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER, 895.40 FEET; THENCE SOUTH 0 DEGREES 38 MINUTES 48 SECONDS EAST, 33.93 FEET TO THE PLACE OF BEGINNING, BEING ALSO THE NORTHEAST CORNER OF LANDS DESCRIBED IN BOOK 150 OF DEEDS, PAGE 409; THENCE NORTH 89 DEGREES 12 MINUTES 26 SECONDS EAST, 100.00 FEET; THENCE NORTH 0 DEGREES 38 MINUTES 47 SECONDS WEST, 33.78 FEET TO THE NORTH LINE OF SAID NORTHEAST QUARTER; THENCE SOUTH 89 DEGREES 17 MINUTES 45 SECONDS EAST ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER, 137.76 FEET; THENCE SOUTH 0 DEGREES 45 MINUTES 05 SECONDS EAST ALONG A LINE PARALLEL WITH THE EAST LINE OF SAID NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, 33.56 FEET; THENCE CONTINUING SOUTH 0 DEGREES 45

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5. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS (CONTINUED):

MINUTES 05 SECONDS EAST, 339.89 FEET; THENCE SOUTH 89 DEGREES 42 MINUTES 20 SECONDS WEST, 238.44 FEET ALONG THE NORTH LINE OF LANDS DESCRIBED IN BOOK 155 OF DEEDS, PAGE 582, TO THE EAST LINE OF LOT 9 IN WESTMAN'S ADDITION TO THE CITY OF WOODSTOCK BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 44 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF, RECORDED DECEMBER 14, 1949 AS DOCUMENT NO. 226517 IN BOOK 10 OF PLATS, PAGE 122, IN MCHENRY COUNTY, ILLINOIS; THENCE SOUTH 0 DEGREES 38 MINUTES 48 SECONDS EAST ALONG THE EAST LINE OF SAID WESTMAN'S ADDITION BEING ALSO THE WESTERLY LINE OF LANDS DESCRIBED IN BOOK 155 OF DEEDS, PAGE 582, 68.95 FEET TO THE SOUTHEAST CORNER OF LOT 20 OF SAID WESTMAN'S ADDITION; THENCE SOUTH 89 DEGREES 42 MINUTES 11 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT 10, 120.14 FEET TO THE SOUTHWEST CORNER OF SAID LOT 10, SAID POINT BEING ALSO ON THE EAST RIGHT-OF-WAY LINE OF BLAKELY AVENUE; THEN 582, 68.95 FEET TO THE SOUTHEAST CORNER OF LOT 20 OF SAID WESTMAN'S ADDITION; THENCE SOUTH 89 DEGREES 42 MINUTES 11 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT 10, 120.14 FEET TO THE SOUTHWEST CORNER OF SAID LOT 10, SAID POINT BEING ALSO ON THE EAST RIGHT-OF-WAY LINE OF BLAKELY AVENUE; THENCE NORTH 0 DEGREES 39 MINUTES 46 SECONDS WEST ALONG SAID EAST RIGHT-OF-WAY LINE, 405.47 FEET; THENCE NORTH 89 DEGREES 12 MINUTES 26 SECONDS EAST, FOR A DISTANCE OF 120.25 FEET ALONG THE NORTH LINE OF LANDS DESCRIBED IN BOOK 150 OF DEEDS, PAGE 409, TO THE PLACE OF BEGINNING, IN MCHENRY COUNTY, ILLINOIS.

PARCEL ELEVEN:

PART OF LOT 125 OF THE ASSESSOR'S PLAT OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 44 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF SAID LOT, 2 RODS WEST FROM THE SOUTHEAST CORNER THEREOF (SAID POINT BEING 34 RODS WEST OF THE EAST LINE OF SAID SECTION); AND RUNNING THENCE WEST ALONG SAID SOUTH LINE, 7 RODS; THENCE NORTH PARALLEL WITH THE EAST LINE OF SAID LOT, 18 RODS TO THE NORTH LINE OF SAID LOT; THENCE EAST ALONG SAID NORTH LINE, 7 RODS; THENCE SOUTH 18 RODS TO THE PLACE OF BEGINNING, AND THE WEST 7 RODS IN WIDTH OF LOT 125 OF THE ASSESSOR'S PLAT OF SECTION 6 (AND OTHER SECTIONS) IN TOWNSHIP 44 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 13, 1862 IN BOOK 1 OF PLATS, PAGE 1, AND RE-RECORDED IN BOOK 3 OF PLATS, PAGE 17, DESCRIBED AS FOLLOWS: BEGINNING AT A POST ON THE SECTION LINE, 41 RODS WEST OF THE SOUTHEAST CORNER OF SAID SECTION 6 AND RUNNING THENCE NORTH ON A LINE PARALLEL WITH THE WEST LINE OF SAID LOT 125, 330 FEET TO THE NORTH LINE OF SAID LOT; THENCE WEST ON THE NORTH LINE OF SAID LOT, 7 RODS TO THE NORTHWEST CORNER OF SAID LOT; THENCE SOUTH ON WEST LINE OF SAID LOT, 330 FEET TO THE SOUTH LINE OF SAID LOT; THENCE EAST ON THE SOUTH LINE OF SAID LOT AND ON THE SECTION LINE, 7 RODS TO THE PLACE OF BEGINNING; SAID LOT BEING A PART OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 6; AND ALSO PART OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 44 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION, 32 RODS EAST OF THE SOUTHWEST CORNER OF SAID SOUTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER AND IN THE CENTER OF THE HIGHWAY, AND RUNNING THENCE WEST ALONG THE SECTION LINE, 60 FEET; THENCE NORTH PARALLEL WITH THE 40 LINE, 20 1/2 RODS; THENCE EAST PARALLEL WITH SAID SECTION LINE, 60 FEET; THENCE SOUTH 20 1/2 RODS TO THE POINT OF BEGINNING,

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5. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS (CONTINUED):

(EXCEPTING THEREFROM THAT PART DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION, 32 RODS (524.64 FEET AS MEASURED) EAST OF THE SOUTHWEST CORNER OF SAID SOUTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER AND IN THE CENTER CT THE HIGHWAY, AND RUNNING THENCE WEST ALONG THE SECTION LINE, 60 FEET; THENCE NORTH PARALLEL WITH THE 40 LINE, 192.44 FEET; THENCE EAST PARALLEL WITH SAID SECTION LINE, 60 FEET; THENCE SOUTH 192.44 FEET TO THE PLACE OF BEGINNING), IN THE CITY OF WOODSTOCK, IN MCHENRY COUNTY, ILLINOIS.

PARCEL TWELVE:

LOT 11 IN WESTMAN'S ADDITION TO THE CITY OF WOODSTOCK BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 44 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF, RECORDED DECEMBER 14, 1949 AS DOCUMENT NO. 226517 IN BOOK 10 OF PLATS, PAGE 122, IN MCHENRY COUNTY, ILLINOIS.

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SCHEDULE B OF THE POLICY OR POLICIES TO BE ISSUED WILL CONTAIN EXCEPTIONS TO THE FOLLOWING MATTERS UNLESS THE SAME ARE DISPOSED OF TO THE SATISFACTION OF THE COMPANY.

GENERAL EXCEPTIONS

1. RIGHTS OR CLAIMS OF PARTIES IN POSSESSION NOT SHOWN BY PUBLIC RECORDS.
2. ANY ENCROACHMENT, ENCUMBRANCE, VIOLATION, VARIATION, OR ADVERSE CIRCUMSTANCE AFFECTING THE TITLE THAT WOULD BE DISCLOSED BY AN ACCURATE AND COMPLETE LAND SURVEY OF THE LAND.
3. EASEMENTS, OR CLAIMS OF EASEMENTS, NOT SHOWN BY PUBLIC RECORDS.
4. ANY LIEN, OR RIGHT TO A LIEN, FOR SERVICES, LABOR OR MATERIAL HERETOFORE OR HEREAFTER FURNISHED, IMPOSED BY LAW AND NOT SHOWN BY THE PUBLIC RECORDS.
5. TAXES OR SPECIAL ASSESSMENTS WHICH ARE NOT SHOWN AS EXISTING LIENS BY THE PUBLIC RECORDS.
6. WE SHOULD BE FURNISHED A PROPERLY EXECUTED ALTA STATEMENT.
7. NOTE FOR INFORMATION: THE COVERAGE AFFORDED BY THIS COMMITMENT AND ANY POLICY ISSUED PURSUANT HERETO SHALL NOT COMMENCE PRIOR TO THE DATE ON WHICH ALL CHARGES PROPERLY BILLED BY THE COMPANY HAVE BEEN FULLY PAID.

A 7. TAXES FOR THE YEAR(S) 2007 AND 2008

NOTE: 2008 TAXES NOT YET DUE AND PAYABLE.

PERMANENT INDEX NUMBER(S): 14-03-400-035 (AFFECTS PARCELS THREE AND FOUR)

NOTE: 2007 FIRST INSTALLMENT OF \$0.00 HAS BEEN PAID.

NOTE: 2007 FINAL INSTALLMENT OF \$0.00 NOT DELINQUENT BEFORE SEPTEMBER 3, 2008.

NOTE: ASSESSED VALUE OF \$0.00; MARKED AS EXEMPT LAND.

NOTE FOR INFORMATION ONLY: ACCORDING TO NOTES ON THE MCHENRY COUNTY TREASURER'S RECORDS, THIS PARCEL HAS BEEN RETIRED TO CREATE 14-03-400-038 AND ROAD PARCEL PER DOCUMENTS 2007R033599 AND 2007R033306.

S 8. TAXES FOR THE YEAR(S) 2007 AND 2008

NOTE: 2008 TAXES NOT YET DUE AND PAYABLE.

PERMANENT INDEX NUMBER(S): 14-03-400-036 (AFFECTS PART OF PARCEL ONE)

NOTE: 2007 FIRST INSTALLMENT OF \$0.00 HAS BEEN PAID.

NOTE: 2007 FINAL INSTALLMENT OF \$0.00 NOT DELINQUENT BEFORE SEPTEMBER 3, 2008.

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NOTE FOR INFORMATION: ASSESSED VALUE OF \$0.00; MARKED EXEMPT.

C 9. TAXES FOR THE YEAR(S) 2007 AND 2008

NOTE: 2008 TAXES NOT YET DUE AND PAYABLE.

PERMANENT INDEX NUMBER(S): 14-03-400-038 (AFFECTS PARCELS TWO AND FIVE)

NOTE: 2007 FIRST INSTALLMENT OF \$17,832.84 HAS BEEN PAID.

NOTE: 2007 FINAL INSTALLMENT OF \$17,832.84 NOT DELINQUENT BEFORE SEPTEMBER 3, 2008.

D 10. TAXES FOR THE YEAR(S) 2007 AND 2008

NOTE: 2008 TAXES NOT YET DUE AND PAYABLE.

PERMANENT INDEX NUMBER(S): 14-03-400-039 (AFFECTS PART OF PARCEL ONE)

NOTE: 2007 FIRST INSTALLMENT OF \$2,078.11 HAS BEEN PAID.

NOTE: 2007 FINAL INSTALLMENT OF \$2,078.11 NOT DELINQUENT BEFORE SEPTEMBER 3, 2008.

Q 11. EASEMENT IN FAVOR OF NIMED CORP FOR PURPOSE OF INGRESS AND EGRESS RECORDED OCTOBER 7, 1982 AS DOCUMENT 842653 AFFECTING THEREIN DESCRIBED LAND, AND THE TERMS AND PROVISIONS AS CONTAINED THEREIN.

AMENDMENT TO EASEMENT AGREEMENT FOR INGRESS AND EGRESS RECORDED DECEMBER 20, 1984 AS DOCUMENT 897621.

R 12. TERMS AND PROVISIONS AS CONTAINED IN AGREEMENT RECORDED SEPTEMBER 7, 1984 AS DOCUMENT 889914 BY AND AMONG NORTHERN ILLINOIS MEDICAL CENTER, NIMED CORP, AND THE CITY OF MCHENRY.

S 13. TERMS, PROVISIONS AND CONDITIONS AS CONTAINED IN THE WATER LINE RECAPTURE AGREEMENT RECORDED SEPTEMBER 7, 1984 AS DOCUMENT 889915 BY AND BETWEEN THE CITY OF MCHENRY AND NIMED CORP REGARDING EXTENSION OF CITY WATER LINES AND PROVIDING FOR COLLECTION OF PROPORTIONATE SHARE OF COSTS OF EXTENSION OF SAID WATER LINES TO THE LAND FROM THE OWNERS OF THE LAND BENEFITTED BY SAID WATER LINE SYSTEM.

NOTE: THE LAND DESCRIBED IN SCHEDULE A HEREOF SHALL BE EXEMPT FROM PAYMENT OF ANY RECAPTURE FEES.

T 14. TERMS, PROVISIONS AND CONDITIONS CONTAINED IN THE SEWER LINE RECAPTURE AGREEMENT RECORDED SEPTEMBER 7, 1984 AS DOCUMENT 889916 BETWEEN THE CITY OF MCHENRY AND NIMED CORP REGARDING THE EXTENSION OF CITY SEWER LINES AND PROVIDING FOR COLLECTION OF PROPORTIONATE SHARE OF COSTS OF EXTENSION OF SAID SEWER LINE TO THE LAND FROM THE OWNER OF THE LAND BENEFITTED BY SAID SEWER LINE SYSTEM.

NOTE: THE LAND DESCRIBED IN SCHEDULE A HEREOF SHALL BE EXEMPT FROM PAYMENT OF

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ANY RECAPTURE FEE.

- U 15. SANITARY LINE AND WATERMAIN EASEMENT IN FAVOR OF THE CITY OF MCHENRY, SUCCESSORS AND ASSIGNS, TO INSTALL, OPERATE AND MAINTAIN ALL EQUIPMENT NECESSARY FOR PURPOSE OF SERVING THE LAND AND OTHER LAND, AND INCLUDING ACCESS THERETO, AND THE TERMS AND PROVISIONS CONTAINED IN SAID EASEMENT AND PLAT OF EASEMENT RECORDED AS DOCUMENT 93R019961.
- V 16. TERMS AND PROVISIONS OF A PUBLIC UTILITY EASEMENT IN FAVOR OF ILLINOIS BELL TELEPHONE CO, NORTHERN ILLINOIS GAS CO, COMMONWEALTH EDISON CO, TCI, AND SUCCESSORS AND ASSIGNS, TO INSTALL, OPERATE, AND MAINTAIN ALL EQUIPMENT NECESSARY FOR PURPOSE OF SERVING THE LAND AND OTHER LAND, INCLUDING ACCESS THERETO, AS CONTAINED IN THE EASEMENT AND PLAT OF EASEMENT RECORDED AS DOCUMENT 93R019961.
- W 17. TERMS AND PROVISIONS OF CROSS EASEMENT AGREEMENT FOR INGRESS AND EGRESS IN FAVOR OF NORTHERN ILLINOIS MEDICAL CENTER AND NIMED CORP FOR PURPOSE OF CONSTRUCTING AN ENCLOSED, GROUND-LEVEL, ALL-WEATHER WALKWAY RECORDED DECEMBER 20, 1984 AS DOCUMENT 897622 AFFECTING THE LAND AND OTHER LAND.
- X 18. TERMS AND PROVISIONS OF CITY OF MCHENRY ORDINANCE # O-01-1003 GRANTING A CONDITIONAL USE PERMIT FOR A HELIPORT ON THE NIMC CAMPUS DATED JANUARY 16, 2001 AND RECORDED JANUARY 24, 2001 AS DOCUMENT 01004961.
- Y 19. TERMS AND PROVISIONS OF CITY OF MCHENRY ORDINANCE # O-01-1004 AMENDING THE CIRCULATION AND LAND USE PLAN FOR THE NIMC CAMPUS (PRIOR ORDINANCE # O-97-818) DATED JANUARY 16, 2001 AND RECORDED JANUARY 24, 2001 AS DOCUMENT 01004962.
- AN 20. ***ADDED PARCELS SIX, SEVEN, EIGHT, AND NINE***

TAXES FOR THE YEAR(S) 2007 AND 2008

NOTE: 2008 TAXES NOT YET DUE AND PAYABLE.

PERMANENT INDEX NUMBER(S): 13-22-401-004

NOTE: 2007 FIRST INSTALLMENT OF \$0.00 HAS BEEN PAID.

NOTE: 2007 FINAL INSTALLMENT OF \$0.00 NOT DELINQUENT BEFORE SEPTEMBER 3, 2008.

NOTE FOR INFORMATION: LAND IS ASSESSED AS EXEMPT; \$0.00 ASSESSED VALUE.

- AO 21. TAXES FOR THE YEAR(S) 2007 AND 2008

NOTE: 2008 TAXES NOT YET DUE AND PAYABLE.

PERMANENT INDEX NUMBER(S): 13-22-401-010

NOTE: 2007 FIRST INSTALLMENT OF \$0.00 HAS BEEN PAID.

NOTE: 2007 FINAL INSTALLMENT OF \$0.00 NOT DELINQUENT BEFORE SEPTEMBER 3, 2008.

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NOTE: MARKED EXEMPT; ASSESSED VALUE OF \$0.00.

AP 22. TAXES FOR THE YEAR(S) 2007 AND 2008

NOTE: 2008 TAXES NOT YET DUE AND PAYABLE.

PERMANENT INDEX NUMBER(S): 13-22-401-011

NOTE: 2007 FIRST INSTALLMENT OF \$0.00 HAS BEEN PAID.

NOTE: 2007 FINAL INSTALLMENT OF \$0.00 NOT DELINQUENT BEFORE SEPTEMBER 3, 2008.

NOTE: MARKED EXEMPT; ASSESSED VALUE OF \$0.00.

AQ 23. TERMS AND PROVISIONS OF GAS LINE EASEMENT GRNTD TO NORTHERN ILL GAS CO BY INSTRUMENT AUGUST 28, 1961 AS DOCUMENT 390632 OVER NORTHWEST QUARTER OF SOUTHEAST QUARTER SECTION 22.

AR 24. RIGHTS OF THE PUBLIC, THE STATE OF ILLINOIS AND THE MUNICIPALITY IN AND TO THAT PART OF THE LAND TAKEN OR USED FOR ROAD PURPOSES BY INSTRUMENT RECORDED APRIL 18, 1924 IN BODK 8 MISC RECORDS PAGE 103.

AS 25. RIGHTS OF THE PUBLIC, THE STATE OF ILLINOIS AND THE MUNICIPALITY IN AND TO THAT PART OF THE LAND TAKEN OR USED FOR ROAD PURPOSES AFFECTING THAT PART OF THE LAND FALLING WITHIN U.S. ROUTE 14 AND DOTY ROAD.

AT 26. COVENANTS AND RESTRICTIONS (BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, ANCESTRY, OR SOURCE OF INCOME, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAW), AS CONTAINED IN THE INSTRUMENT RECORDED SEPTEMBER 7, 1990 AS DOCUMENT NO. 90R033347, WHICH DOES NOT CONTAIN A REVERSIONARY OR FORFEITURE CLAUSE.

AU 27. EASEMENT IN FAVOR OF THE CITY OF WOODSTOCK FOR CONSTRUCTING, LAYING, AND MAINTAINING SANITARY SEWERAGE FACILITIES AND WATER MAINS, AND ITS/THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, TO INSTALL, OPERATE AND MAINTAIN ALL EQUIPMENT NECESSARY FOR THE PURPOSE OF SERVING THE LAND AND OTHER PROPERTY, TOGETHER WITH THE RIGHT OF ACCESS TO SAID EQUIPMENT, AND THE PROVISIONS RELATING THERETO CONTAINED IN THE GRANT RECORDED/FILED AS DOCUMENT NO. 94R024650 RECORDED APRIL 14, 1994, AFFECTING THE THEREIN DESCRIBED PARTS OF THE LAND.

AV 28. RIGHTS OF THE PUBLIC, THE STATE OF ILLINOIS AND THE MUNICIPALITY IN AND TO THAT PART OF THE LAND TAKEN OR USED FOR ROAD PURPOSES BY INSTRUMENT RECORDED AUGUST 17, 1994 AS DOCUMENT 94R048603.

AW 29. TERMS AND PROVISIONS OF AN EASEMENT AGREEMENT BY AND BETWEEN MEMORIAL MEDICAL CENTER-WOODSTOCK NOT-FOR-PROF CORP, AND NIMED CORP AS CONTAINED IN INSTRUMENT RECORDED MARCH 6, 2002 AS DOCUMENT 2002R0021542 AND AS AMENDED AND RESTATED BY DOCUMENT DATED MARCH 15, 2002 AND RECORDED MARCH 19, 2002 AS DOCUMENT

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SCHEDULE B (CONTINUED)

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2002R0025730.

AX 30. ***ADDED PARCELS TEN, ELEVEN AND TWELVE***

TAXES FOR THE YEAR(S) 2007 AND 2008

NOTE: 2008 TAXES NOT YET DUE AND PAYABLE.

PERMANENT INDEX NUMBER(S): 13-07-227-001

NOTE: 2007 FIRST INSTALLMENT OF \$0.00 HAS BEEN PAID.

NOTE: 2007 FINAL INSTALLMENT OF \$0.00 NOT DELINQUENT BEFORE SEPTEMBER 3, 2008.

NOTE: MARKED AS EXEMPT; ASSESSED VALUE OF \$0.00.

AY 31. TAXES FOR THE YEAR(S) 2007 AND 2008

NOTE: 2008 TAXES NOT YET DUE AND PAYABLE.

PERMANENT INDEX NUMBER(S): 13-07-227-038

NOTE: 2007 FIRST INSTALLMENT OF \$0.00 HAS BEEN PAID.

NOTE: 2007 FINAL INSTALLMENT OF \$0.00 NOT DELINQUENT BEFORE SEPTEMBER 3, 2008.

NOTE: MARKED AS EXEMPT; ASSESSED VALUE OF \$0.00.

AZ 32. TAXES FOR THE YEAR(S) 2007 AND 2008

NOTE: 2008 TAXES NOT YET DUE AND PAYABLE.

PERMANENT INDEX NUMBER(S): 13-07-227-039

NOTE: 2007 FIRST INSTALLMENT OF \$0.00 HAS BEEN PAID.

NOTE: 2007 FINAL INSTALLMENT OF \$0.00 NOT DELINQUENT BEFORE SEPTEMBER 3, 2008.

NOTE: MARKED EXEMPT; ASSESSED VALUE OF \$0.00.

BA 33. TAXES FOR THE YEAR(S) 2007 AND 2008

NOTE: 2008 TAXES NOT YET DUE AND PAYABLE.

PERMANENT INDEX NUMBER(S): 13-06-480-047

NOTE: 2007 FIRST INSTALLMENT OF \$0.00 HAS BEEN PAID.

NOTE: 2007 FINAL INSTALLMENT OF \$0.00 NOT DELINQUENT BEFORE SEPTEMBER 3, 2008.

NOTE: MARKED AS EXEMPT; ASSESSED VALUE OF \$0.00.

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BB 34. PERMIT AND EASEMENT IN FAVOR OF CHICAGO TELEPHONE CO, AND ITS/THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, TO INSTALL, OPERATE AND MAINTAIN ALL EQUIPMENT NECESSARY FOR THE PURPOSE OF SERVING THE LAND AND OTHER PROPERTY, TOGETHER WITH THE RIGHT OF ACCESS TO SAID EQUIPMENT, AND THE PROVISIONS RELATING THERETO CONTAINED IN THE GRANT RECORDED/FILED AS DOCUMENT NO. BOOK 2 PAGE 454. RECORDED SEPTEMBER 23, 1914, AFFECTING THE THE LAND FOR PHONE AND TELEGRAPH, TRIM TREES AND OTHER MATTERS AS CONTAINED THEREIN AFFECTING PARCELS TEN AND TWELVE.

BC 35. COVENANTS AND RESTRICTIONS (BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, ANCESTRY, OR SOURCE OF INCOME, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAW), RELATING TO CONNECTION TO SANITARY SEWER CONTAINED IN THE DEED RECORDED JULY 13, 1940 AS DOCUMENT BOOK 239 PAGE 536 AND NOVEMBER 28, 1945 IN BOOK 279 PAGE 255, WHICH DOES NOT CONTAIN A REVERSIONARY OR FORFEITURE CLAUSE.

BD 36. UNRECORDED EASEMENT IN FAVOR OF ILLINOIS BELL TELEPHONE CO , AND ITS/THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, TO INSTALL, OPERATE AND MAINTAIN ALL EQUIPMENT NECESSARY FOR THE PURPOSE OF SERVING THE LAND AND OTHER PROPERTY, TOGETHER WITH THE RIGHT OF ACCESS TO SAID EQUIPMENT, AND THE PROVISIONS RELATING THERETO AS DISCLOSED BY SURVEY FOR UNDERGROUND CABLE ALONG THE SOUTHERLY LINE OF PARCEL ELEVEN.

Z 37. WE SHOULD BE FURNISHED A CERTIFIED COPY OF THE DIRECTORS' RESOLUTIONS AUTHORIZING THE CONVEYANCE OR MORTGAGE TO BE INSURED. SAID RESOLUTIONS SHOULD EVIDENCE THE AUTHORITY OF THE PERSONS EXECUTING THE CONVEYANCE OR MORTGAGE. IF THEY DO NOT, A CERTIFIED COPY OF THE CORPORATE BY-LAWS ALSO SHOULD BE FURNISHED.

IF SAID CONVEYANCE OR MORTGAGE COMPRISES ALL OR SUBSTANTIALLY ALL THE CORPORATION'S ASSETS, WE ALSO SHOULD BE FURNISHED A CERTIFIED COPY OF THE SHAREHOLDER/MEMBER RESOLUTIONS WHICH AUTHORIZE SAID CONVEYANCE OR MORTGAGE. THIS COMMITMENT IS SUBJECT TO SUCH FURTHER EXCEPTIONS, IF ANY, AS MAY BE DEEMED NECESSARY AFTER OUR REVIEW OF THESE MATERIALS.

AA 38. WE SHOULD BE FURNISHED A CURRENT CERTIFICATE OF GOOD STANDING FROM THE ILLINOIS SECRETARY OF STATE. IF SUCH A CERTIFICATE IS NOT FURNISHED, OUR POLICY WILL BE SUBJECT TO THE FOLLOWING EXCEPTION:

"CONSEQUENCES OF THE FAILURE OF THE PARTY IN TITLE TO THE ESTATE OR INTEREST IN THE LAND DESCRIBED IN SCHEDULE A TO COMPLY WITH THE APPLICABLE "DOING BUSINESS" LAWS OF THE STATE OF ILLINOIS."

AB 39. EXISTING UNRECORDED LEASES AND ALL RIGHTS THEREUNDER OF THE LESSEES AND OF ANY PERSON OR PARTY CLAIMING BY, THROUGH OR UNDER THE LESSEES.

AC 40. WE SHOULD BE FURNISHED A STATEMENT THAT THERE IS NO PROPERTY MANAGER EMPLOYED TO MANAGE THE LAND, OR, IN THE ALTERNATIVE, A FINAL LIEN WAIVER FROM ANY SUCH PROPERTY MANAGER.

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SCHEDULE B (CONTINUED)

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AD 41. TO CONSIDER PROVIDING EXTENDED COVERAGE OVER GENERAL EXCEPTION 5 ("TAXES AND SPECIAL ASSESSMENTS NOT OF RECORD"), THE COMPANY SHOULD BE FURNISHED A STATEMENT FROM THE MUNICIPALITY IN WHICH THE LAND IS LOCATED WHICH INDICATES WHETHER THE LAND LIES WITHIN THE BOUNDARIES OF ANY PROPOSED OR EXISTING BUT UNRECORDED SPECIAL SERVICE AREA, PURSUANT TO 35 ILCS 200/27-5 ET SEQ. IF NO STATEMENT IS FURNISHED, THE POLICY WILL BE SUBJECT TO THE FOLLOWING EXCEPTION: LIENS ARISING BY REASON OF ANY UNRECORDED ORDINANCE WHICH ESTABLISHES A SPECIAL SERVICE AREA.

AE 42. ANY LIEN, OR RIGHT TO A LIEN, FOR SERVICES, LABOR OR MATERIAL, HERETOFORE OR HEREFTER FURNISHED, IMPOSED BY LAW AND NOT SHOWN BY THE PUBLIC RECORDS.

AF 43. RIGHTS, IF ANY, OF PUBLIC AND QUASI-PUBLIC UTILITIES IN THE LAND.

AG 44. RIGHTS OF THE PUBLIC, THE STATE OF ILLINOIS AND THE MUNICIPALITY IN AND TO THAT PART OF THE LAND, IF ANY, TAKEN OR USED FOR ROAD PURPOSES.

AH 45. ENCROACHMENTS, GAPS, GORES, OVERLAPS, BOUNDARY LINE DISPUTES, SHORTAGES IN AREA, OR ANY OTHER MATTERS WHICH WOULD BE DISCLOSED BY AN ACCURATE SURVEY AND INSPECTION OF THE LAND.

IF IT IS DESIRED THAT THE GENERAL EXCEPTIONS BE DELETED FOR THE POLICY TO BE ISSUED, WE SHOULD BE FURNISHED IN ADDITION TO (1) ABOVE WITH A CURRENT SURVEY CERTIFIED TO TICOR TITLE INSURANCE COMPANY.

AJ 46. RIGHTS OF WAY FOR DRAINAGE TILES, DITCHES, FEEDERS AND LATERALS, IF ANY.

AI 47. RIGHTS OF THE UNITED STATES OF AMERICA TO RECOVER ANY PUBLIC FUNDS ADVANCED UNDER THE PROVISIONS OF ONE OR MORE OF THE VARIOUS FEDERAL STATUTES RELATING TO HEALTH CARE.

END

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CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 or these Conditions.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. *The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <<http://www.alta.org/>>.*

Effective Date: May 1, 2008

Fidelity National Financial, Inc.
Privacy Statement

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in the Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

Personal Information Collected

- We may collect Personal Information about you from the following sources:
- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information and income information;
- Information we receive from you through our Internet websites, such as your name, address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transactions, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded

Disclosure of Personal Information

- We may provide your Personal Information (excluding information we receive from our consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:
- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connections with an insurance transactions.
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested.
- To an insurance regulatory, or law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation
- To companies that perform marketing services on our behalf or to other financial institutions with which we have had joint marketing agreements and/or
- To lenders, lien holders, judgement creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process

Disclosure to Affiliated Companies - We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law

Disclosure to Nonaffiliated Third Parties - We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulation to guard Personal Information.

Access to Personal Information/

Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

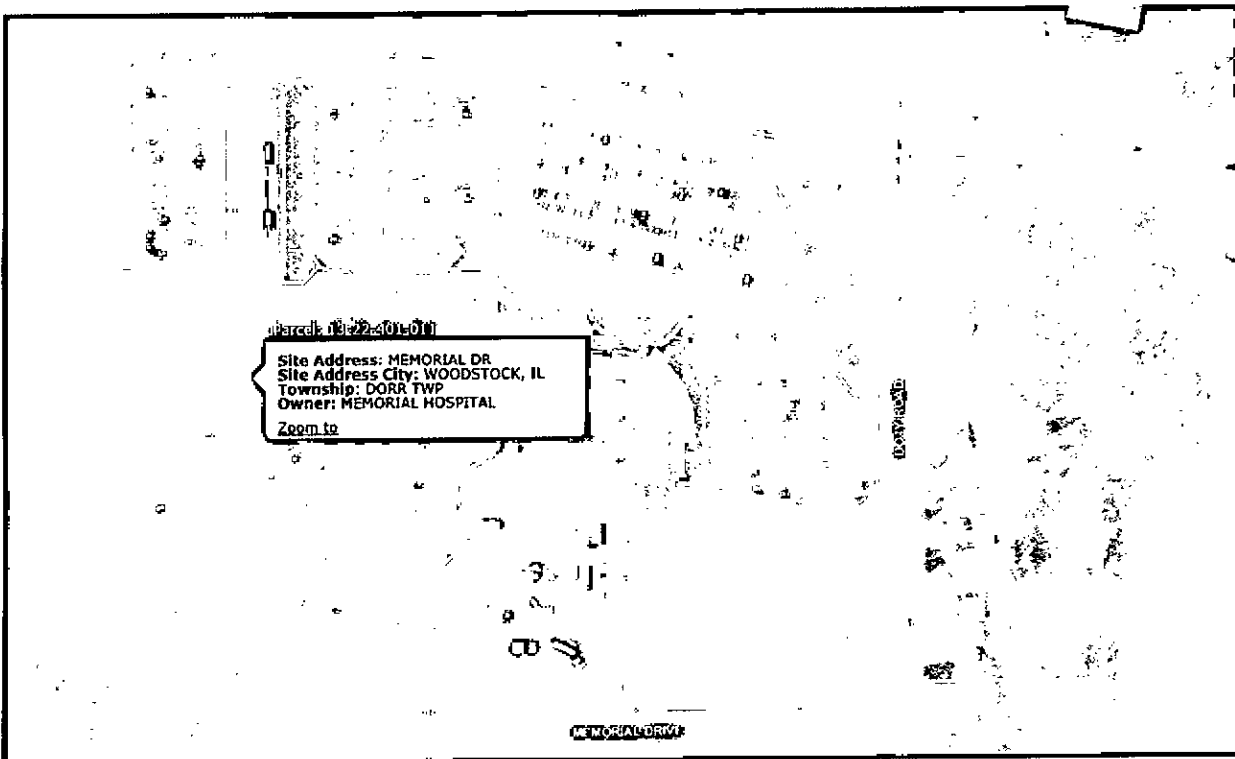
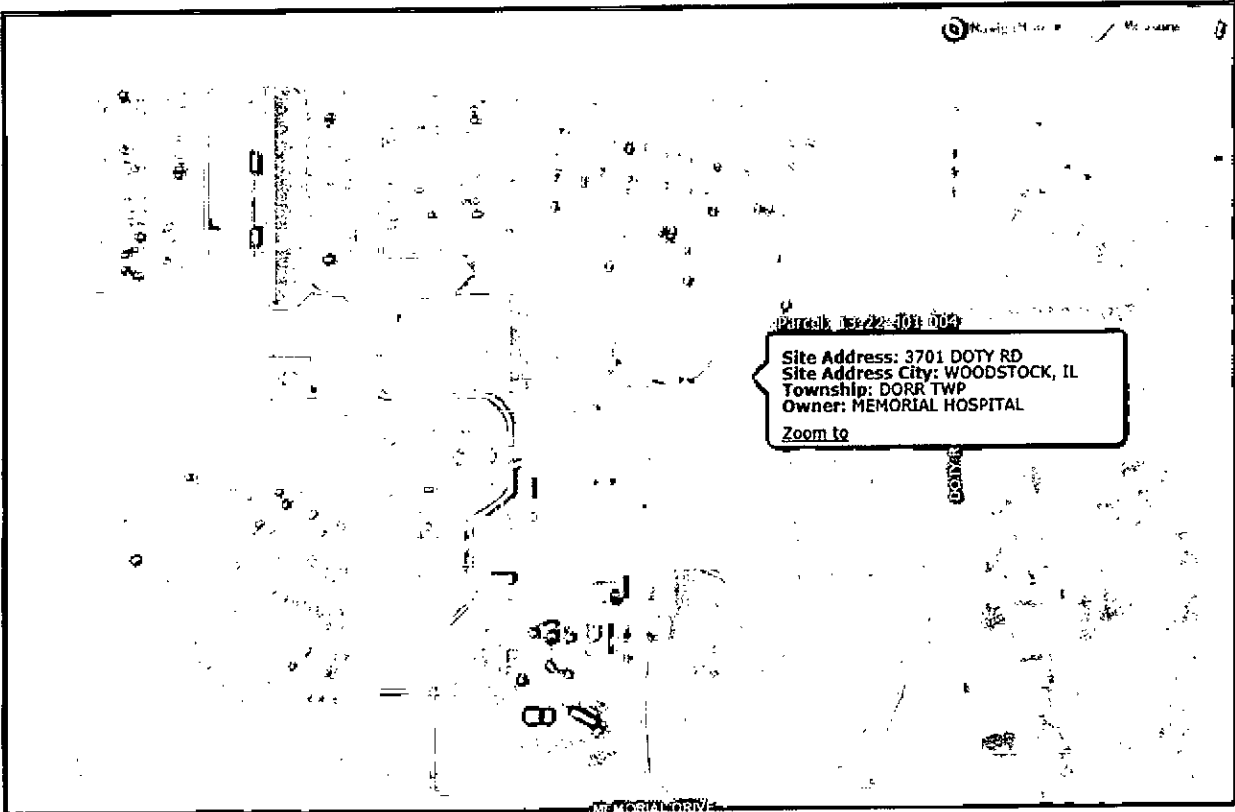
For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity.

Where permitted by law we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.





To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

MEMORIAL MEDICAL CENTER-WOODSTOCK, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 09, 1914, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 5TH
day of JULY A.D. 2017 .***

Jesse White

SECRETARY OF STATE

I.
Organizational Relationships

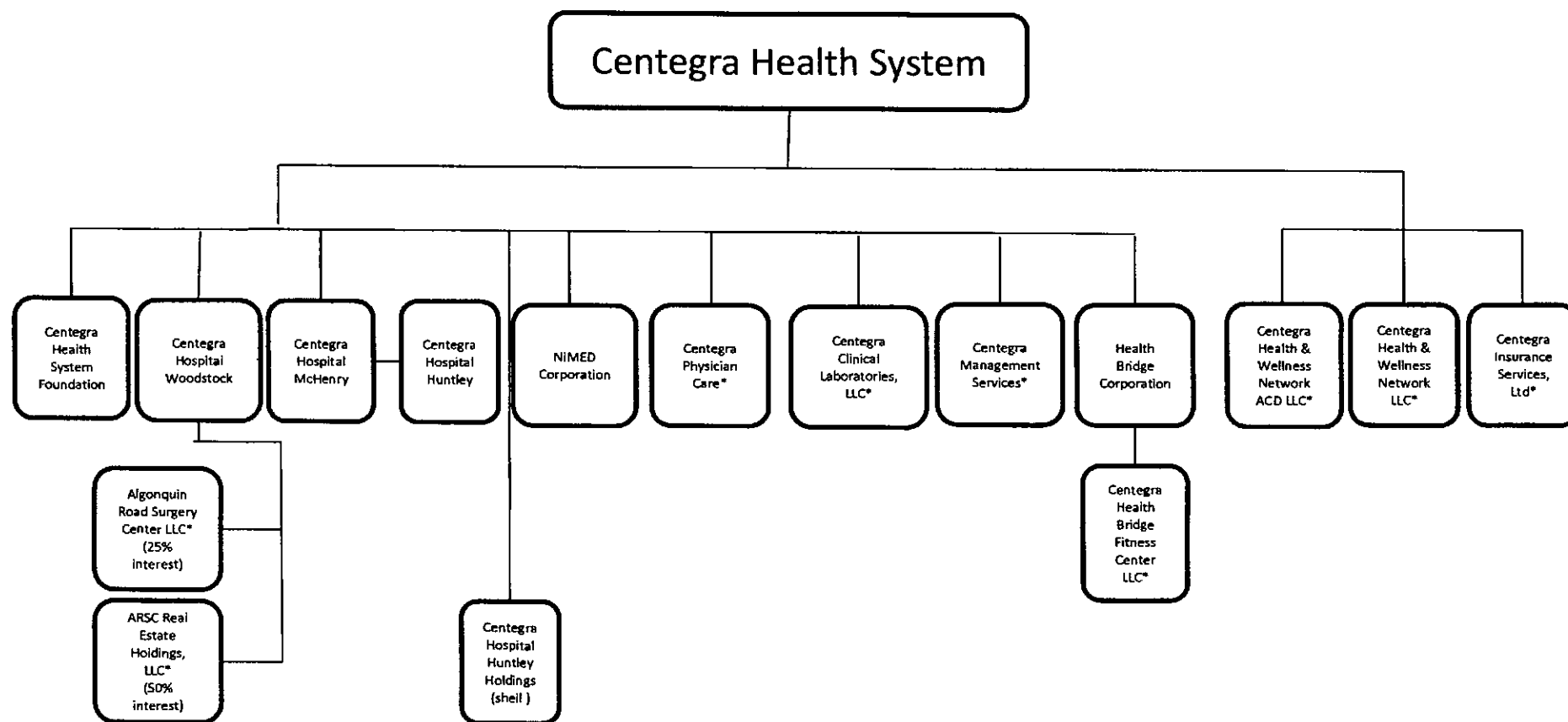
This project has 4 co-applicants: Centegra Hospital – Woodstock, Centegra Health System, Centegra Hospital – Huntley and Centegra Hospital – McHenry.

As will be seen on the Organizational Chart that appears on the following page and as discussed in Attachment 11, Centegra Health System is the sole corporate member of Centegra Hospital - Woodstock.

Centegra Health System currently operates 3 hospitals: Centegra Hospital – Huntley, Centegra Hospital - McHenry and Centegra Hospital - Woodstock.

A Corporate Organization Chart will be found on the next page.

Centegra Health System and its Affiliates



* Indicates Non 501 C (3) entities

Revised 8/9/17

I.

Flood Plain Requirements

The following pages of this Attachment include the most recent documents regarding Centegra Hospital - Woodstock's compliance with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas.

These documents include an Illinois State Water Survey Special Flood Hazard Area Determination dated December 5, 2007, stating that the hospital currently known as Centegra Hospital - Woodstock, located at 3701 Doty Road in Woodstock, is not located in a Special Flood Hazard Area. A Flood Insurance Rate Map (FIRM) for Centegra Hospital - Woodstock, documenting the same is attached.

A review of the FEMA website indicates that as of August 4, this FEMA Flood Insurance Rate Map remains effective and that no update to this map is currently scheduled.

A statement attesting to the project's compliance with the requirements of Illinois Executive Order #2006-5, Construction Activities in Special Flood Hazard Areas, is found on Page 5 of this Attachment.



Illinois State Water Survey

Main Office • 2204 Griffith Drive • Champaign, IL 61820-7495 • Tel (217) 333-2210 • Fax (217) 333-6540
Peoria Office • P.O. Box 697 • Peoria, IL 61652-0697 • Tel (309) 671-3196 • Fax (309) 671-3106



Special Flood Hazard Area Determination pursuant to Governor's Executive Order 5 (2006) (supersedes Governor's Executive Order 4 (1979))

Requester: Michael I. Copelin
Address: Copelin Health Care Consulting, 42 Birch Lake Dr.
City, state, zip: Sherman, IL 62684 Telephone: (217) 496-3712

Site description of determination:

Site address: Centegra Memorial Medical Center buildings including proposed Women's Pavilion**
3701 Doty Rd.

City, state, zip: Woodstock, IL 60098

County: McHenry Sec: 1/4 NW 1/4 of SE 1/4 Section: 22 T. 44 N. R. 7 E. PM: 3rd

Subject area: The area bounded by Doty Road on the east, U.S. 14 on the north, Memorial Drive on the south, and on the west the west line of the E 900 ft of the W $\frac{1}{2}$ of Sec. 22, T44N R07E, 3rd P.M., McHenry County IL.

****This determination does not include the entire hospital property. Any future construction or grading activity south of existing Memorial Drive will require IDNR Office of Water Resources permit review.**

The area described above** IS NOT located in a Special Flood Hazard Area or a shaded Zone X floodzone.

Floodway mapped: No Floodway on property: No

Sources used: FEMA Flood Insurance Rate Map (FIRM, copy attached); Kahler Slater ground floor plan 07-0920 excerpt.

Community name: City of Woodstock, IL Community number: 170488

Panel/map number: 17111C0200 J Effective Date: November 16, 2006

Flood zone: X [unshaded] Base flood elevation: N/A ft NGVD 1929

N/A a. The community does not currently participate in the National Flood Insurance Program (NFIP).
NFIP flood insurance is not available; certain State and Federal assistance may not be available.

N/A b. Panel not printed: no Special Flood Hazard Area on the panel (panel designated all Zone C or unshaded X).

N/A c. No map panels printed: no Special Flood Hazard Areas within the community (NSFHA).

The primary structures in the subject area**:

N/A d. Is located in a Special Flood Hazard Area. Any activity on the property must meet State, Federal, and local floodplain development regulations. Federal law requires that a flood insurance policy be obtained as a condition of a federally-backed mortgage or loan that is secured by the building.

N/A e. Is located in shaded Zone X or B (500-yr floodplain). Conditions may apply for local permits or Federal funding.

X f. Is not located in a Special Flood Hazard Area or a 500-year floodplain. (Flood insurance may still be available.)

N/A g. A determination of the building's exact location cannot be made on the current FEMA flood hazard map.

N/A h. Exact structure location is not available or was not provided for this determination.

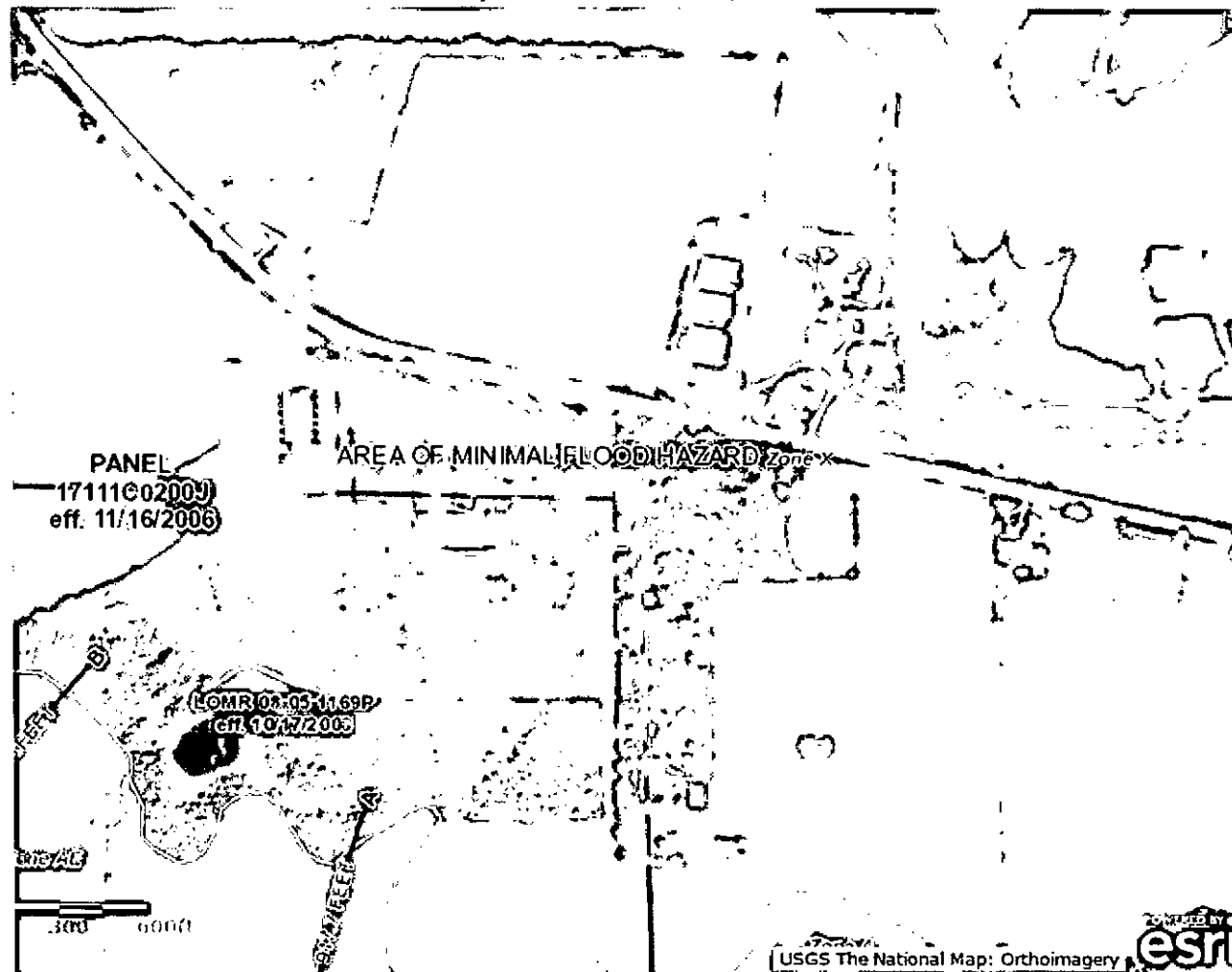
Note: This determination is based on the current Federal Emergency Management Agency (FEMA) flood hazard map for the community. This letter does not imply that the referenced property will or will not be free from flooding or damage. A property or structure not in a Special Flood Hazard Area may be damaged by a flood greater than that predicted on the FEMA map or by local drainage problems not mapped. This letter does not create liability on the part of the Illinois State Water Survey, or employee thereof for any damage that results from reliance on this determination. This letter does not exempt the project from local stormwater management regulations.

Questions concerning this determination may be directed to Bill Saylor (217/333-0447) at the Illinois State Water Survey. Questions concerning requirements of Governor's Executive Order 5 (2006), or State Floodplain regulations, may be directed to John Lentz (847/608-3100 x2022) at the IDNR Office of Water Resources.

William Saylor
William Saylor, CFM IL-02-00107, Illinois State Water Survey

Title: ISWS Surface Water & Floodplain Information Date: 12/5/2007

FEMA National Flood Insurance Program Map
Centegra Hospital- Woodstock
3701 Doty Road, Woodstock, IL 60098



Note: The shaded yellow box indicates the campus of Centegra Hospital - Woodstock.

Source: <http://fema.maps.arcgis.com/home/webmap/viewer.html?webmap=cbe088e7c8704464aa0fc34eb99e7f30&extent=-88.5501099,42.3967743,-88.3548737,42.2518921> Map accessed on 8/4/17.

56

[illegible]

Source: <https://msc.fema.gov/portal/search?AddressQuery=3701%20doty%20road%2C%20woodstock%20il#searchresultsanchor> Map downloaded on 8/4/17.

August 14, 2017

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson
Second Floor
Springfield, Illinois 62761

Re: Compliance with Requirements of Illinois Executive Order #2006-5
Regarding Construction Activities in Special Flood Hazard Areas

Dear Ms. Avery:

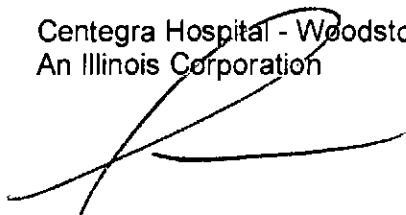
The undersigned are authorized representatives of Memorial Medical Center – Woodstock d/b/a Centegra Hospital - Woodstock, the owner of the site on which Centegra Hospital - Woodstock is located.

We hereby attest that this site is not located on a flood plain, as identified by the most recent FEMA Flood Insurance Rate Map for this location, and that this location complies with the Flood Plain Rule and the requirements stated under Illinois Executive Order #2006-5, "Construction Activities in the Special Flood Hazard Areas."

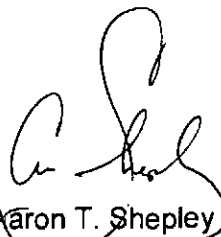
This Attachment to this Certificate of Need (CON) application includes documentation received from the Illinois State Water Survey in 2007. A review of the FEMA website on August 4, 2017, indicates that the FEMA Flood Insurance Map issued for the hospital site in November, 2006, and cited in the December 5, 2007, Special Flood Hazard Determination remains the most recent FEMA Flood Insurance Rate Map for this site.

Signed and dated as of August 14, 2017.

Centegra Hospital - Woodstock
An Illinois Corporation



Michael S. Eesley
Chief Executive Officer
Centegra Health System



Aaron T. Shepley
General Counsel
Centegra Health System

SUBSCRIBED and SWORN to before me
this 14th day of August, 2017.



Notary Public



SUBSCRIBED and SWORN to before me
this 14th day of August, 2017.



Notary Public





Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
www.dnr.illinois.gov

Bruce Rauner, Governor
Wayne A. Rosenthal, Director

FAX (217) 524-7525

McHenry County
Woodstock

CON - Interior Rehabilitation for Comprehensive Physical Rehabilitation Unit, Centegra Hospital
3701 S. Doty Road
SHPO Log #010071817

August 9, 2017

Andrea Rozran
Diversified Health Resources
65 E. Scott, Suite 9A
Chicago, IL 60610-5274

Dear Ms. Rozran:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact David Halpin, Cultural Resources Manager, at 217/785-4998.

Sincerely,

Rachel Leibowitz, Ph.D.
Deputy State Historic
Preservation Officer

Itemization of Line Items for Categories with Additional Detail

	<u>Clinical</u>	<u>Non-Clinical</u>	<u>Total</u>
1. Preplanning Costs			
Architect Preliminary Design	\$6,000	\$0	\$6,000
Preplanning Analysis	\$15,000	\$0	\$15,000
CON Consultant Preplanning	\$15,000	\$0	\$15,000
Legal Preplanning	\$10,000	\$0	\$10,000
	<u>\$46,000</u>	<u>\$0</u>	<u>\$46,000</u>
2. Consulting and Other Fees			
CON Review Fee	\$8,706	\$0	\$8,706
Legal Fees	\$5,000	\$0	\$5,000
CON Consultant Fees	\$5,000	\$0	\$5,000
IDPH Plan Examination Fee	\$9,600	\$0	\$9,600
Project Management and Oversight	\$10,000	\$0	\$10,000
Other Consulting	\$20,000	\$0	\$20,000
	<u>\$58,306</u>	<u>\$0</u>	<u>\$58,306</u>
3. Movable or Other Equipment			
Medical Equipment	\$30,594	\$0	\$30,594
Fair Market Value of Existing Equipment	\$7,542		\$7,542
Furniture/Artwork	\$11,482		\$11,482
IT Equipment	\$20,000	\$0	\$20,000
Security Equipment	\$10,680	\$0	\$10,680
	<u>\$80,299</u>	<u>\$0</u>	<u>\$80,299</u>

Detail for Moveable or Other Equipment

	Equipment/Furniture	Existing quantity	New quantity	Price	Extended price	Fair Market Value
Medical Equipment	Isolation carts	2	2	\$862.00	\$1,724.00	
	Welch Allyn VS machines		3	\$1,309.00	\$3,927.00	
	Rolling manual BP	1				
	EZ lifter	1				
	SARA PLUS with Scale	1				\$6,013.40
	Hoyer lift		1	\$3,735.00	\$3,735.00	
	O2 concentrator	1				
	Portable O2 holders	14				
	Medical gas cabinet	1				
	O2 holder stand	1				
	Trash hamper	2				
	Linen cart and commode chair	2				\$458.83
	Blanket warmer		1	\$6,421.00	\$6,421.00	
	Sage warmer	1				
	Chair scale	2				\$323.42
	Crash cart	1				
	Bladder scanner w/cart		1	\$13,635.00	\$13,635.00	
	WOWs	5				
	Rolling carts	2				
	Shower chairs: rolling	2				
	Shower chairs: base	1				
	Shower chairs: bariatric	1				
	Shower chairs: small		1	\$28.00	\$28.00	
	Standing scale		1	\$372.50	\$372.50	
	Commodos: drop arms	4	9	\$61.17	\$550.53	\$223.38
	WC: regular	26				
	WC: bariatric	1				
	WC: high back	5				
	WC: r side	1				
	WC: l side	1				
	Walkers: regular	14	8	\$21.25	\$170.00	\$523.31
	Walkers: bariatric		1	\$31.16	\$31.16	
	Seizure pads: set	3				
Furniture and Artwork						
Rehab Pt Room	Stryker beds	22				
	Bedside table	22				
	Nightstand	22				
	Highback chair	22				
	Cardiac chair	2	3	\$263.00	\$789.00	
	Garbage cans	66				
	Clocks	15	7	\$21.00	\$147.00	
	Whiteboards	22				
	Stryker bed extender	2				
	Bathroom vanity	15	7	\$558.00	\$3,906.00	
	Sink Shelving	15	7	\$25.00	\$175.00	
	Bulletin boards 22 x 15	15	7	\$25.00	\$175.00	
	low back chairs	22				
Common areas	Electronic white boards	4				
	Pull down tables with frame	4	1	\$6,290.00	\$6,290.00	
Security Equipment	Estimate for floor (security readers)				\$10,680.00	
IT Equipment	Estimate for unit				\$20,000.00	

*Extended price shown is for new item quantity only

I.

Cost Space Requirements

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Comprehensive Physical Rehabilitation Nursing Unit	\$3,020,723	0*	13,874	0	13,874	0	0
Rehabilitation Therapies (Physical Therapy, Occupational Therapy, Speech Therapy)	\$943,953	0*	5,022	0	5,022	0	0
Total Clinical	\$3,964,676	0*	18,896	0	18,896	0	0
NON REVIEWABLE							
Total Non-clinical	\$0	0	0	0	0	0	0
TOTAL	\$3,964,676	0*	18,896	0	18,896	0	0

*This project is being submitted simultaneously with an application for a Certificate of Exemption (COE) to discontinue the Medical/Surgical and Intensive Care Categories of Service at Centegra Hospital – Woodstock.

The space that will be vacated by the M/S Category of Service is proposed to be modernized to accommodate a Comprehensive Physical Rehabilitation Category of Service with 22 authorized beds and additional therapy space.

The Rehabilitation Therapies space is therapy space dedicated for the patients in the Comprehensive Physical Rehabilitation Nursing Unit. It includes services such as Physical Therapy, Occupational Therapy and Speech Therapy.

III.

Criterion 1110.230 - Background of Applicant

1. Centegra Health System is the sole corporate member of Centegra Hospital – Woodstock.

Centegra Health System currently operates three hospitals:

Northern Illinois Medical Center d/b/a Centegra Hospital – McHenry;
Northern Illinois Medical Center d/b/a Centegra Hospital – Huntley
Memorial Medical Center - Woodstock d/b/a Centegra Hospital – Woodstock;

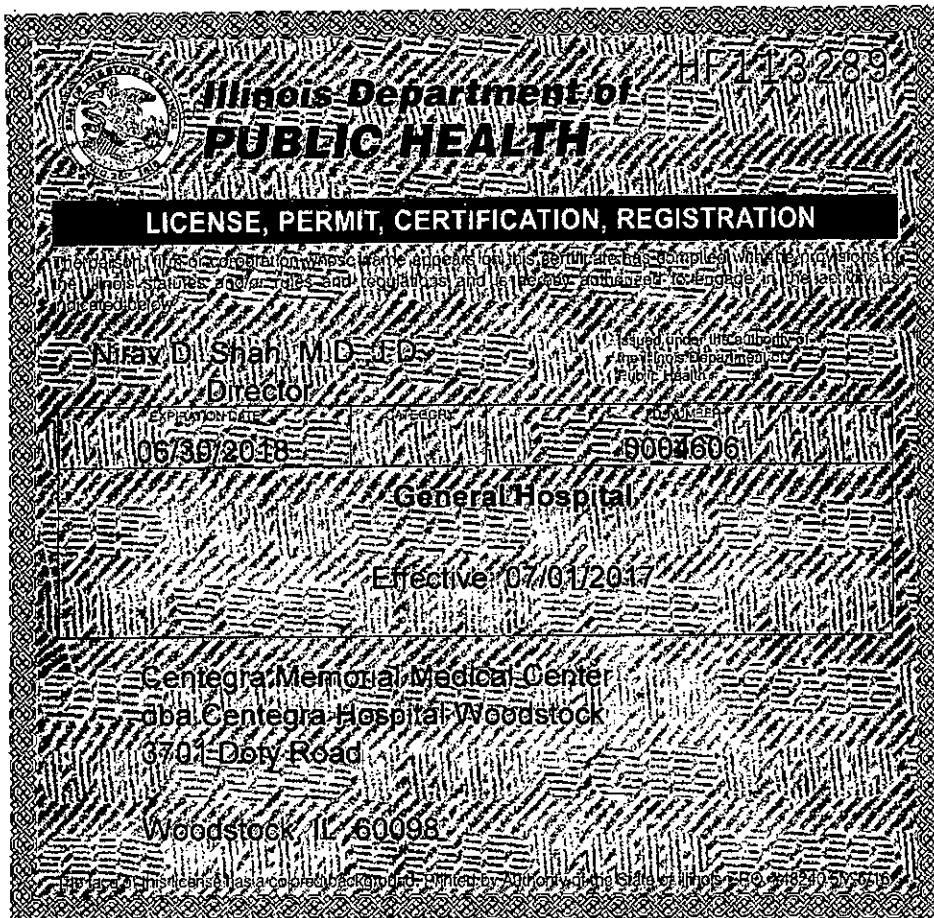
Centegra Health System is also a member of Algonquin Road Ambulatory Surgery Center, L.L.C., which is an Illinois health care facility, as defined under the Illinois Health Facilities Planning Act (20 ILCS 3960/3).

The identification numbers of each of these health care facilities is shown below, along with their names and locations.

<u>Name and Location of Facility</u>	<u>Identification Numbers</u>
Centegra Hospital – McHenry McHenry, IL	Illinois License ID #0003889 Joint Commission ID #7375
Centegra Hospital – Huntley Huntley, IL	Illinois License ID #0003889 Joint Commission ID #7375
Centegra Hospital–Woodstock Woodstock, IL	Illinois License ID #0004606 Joint Commission ID #7447
Algonquin Road Surgery Center, L.L.C. Lake in the Hills	Illinois License ID #7002579 Joint Commission ID #366641

Proof of the current licensure and accreditation of each of the facilities identified above can be found beginning on Page 3 of this Attachment.

- 2, 3. A letter from Centegra Health System certifying that its affiliated health care facilities have not had any adverse action taken against them during the past three years and authorizing the Illinois Health Facilities and Services Review Board and Illinois Department of Public Health to access any documents necessary to verify the information submitted in response to this subsection will be found on the final page of this Attachment.
4. This section doesn't apply.



← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

Exp. Date 06/30/2018

Lic Number 0004606

Date Printed 04/21/2017

Centegra Memorial Medical Center
dba Centegra Hospital Woodstock
3701 Doty Road
Woodstock, IL 60098

FEE RECEIPT NO.



July 7, 2015

Michael S. Eesley
CEO
Memorial Medical Center
3701 Doty Road
Woodstock, IL 60098

Joint Commission ID #: 7447
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 07/07/2015

Dear Mr. Eesley:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

• Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning April 25, 2015. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations

HF 143283

**Illinois Department of
PUBLIC HEALTH**

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person whose name appears on this certificate has complied with the provisions of the Illinois statutes and regulations and is hereby authorized to engage in the activity indicated below.

Nirav D. Shah, M.D., F.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	LIC. NUMBER
06/30/2018	General Hospital	0003889
Effective: 07/01/2017		

Centegra Northern Illinois Medical Center
dba Centegra Hospital - McHenry and Huntley
4201 Medical Center Drive
2nd campus 10400 Haligus Road, Huntley IL
McHenry IL 60050

The front of this license has a colored background. Printed by Authority of the State of Illinois. HHS-143283-01-0000

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

Exp. Date 06/30/2018

Lic Number 0003889

Date Printed 04/21/2017

Centegra Northern Illinois Medical Cen
dba Centegra Hospital - McHenry and
4201 Medical Center Drive
2nd campus 10400 Haligus Road, Hun
McHenry, IL 60050

FEE RECEIPT NO.



July 9, 2015

Michael S. Eesley
CEO
Northern Illinois Medical Center
4201 Medical Center Drive
McHenry, IL 60050

Joint Commission ID #: 7375
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 07/07/2015

Dear Mr. Eesley:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

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Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations



May 8, 2017

Michael S. Eesley
CEO
Northern Illinois Medical Center
4201 Medical Center Drive
McHenry, IL 60050

Joint Commission ID #: 7375
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 05/08/2017

Dear Mr. Eesley:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- **Comprehensive Accreditation Manual for Hospitals**

This accreditation cycle is effective beginning April 25, 2015 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.


The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

 **Illinois Department of
PUBLIC HEALTH** IF 143283

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person or corporation whose name appears on this certificate has complied with the provisions of the laws, statutes and rules and regulations and is hereby authorized to engage in the activity as indicated below.

Nirav D. Shah, M.D., F.D.
Director

Residing under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	LIC. NUMBER
06/30/2018	General Hospital	0003889

Effective 07/01/2017

Centegra Northern Illinois Medical Center
dba Centegra Hospital - McHenry and Huntley
4201 Medical Center Drive
2nd campus 10400 Haligus Road, Huntley IL
McHenry IL 60050

The face of this license has a colored background. Printed by Authority of the State of Illinois. IF 143283

Exp. Date 06/30/2018

Lic Number 0003889

Date Printed 04/21/2017

Centegra Northern Illinois Medical Cen
dba Centegra Hospital - McHenry and
4201 Medical Center Drive
2nd campus 10400 Haligus Road, Hun
McHenry, IL 60050

FEE RECEIPT NO.



July 7, 2015

Michael S. Eesley
CEO
Memorial Medical Center
3701 Doty Road
Woodstock, IL 60098

Joint Commission ID #: 7447
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 07/07/2015

Dear Mr. Eesley:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

• Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning April 25, 2015. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations



May 8, 2017

Michael S. Eesley
CEO
Northern Illinois Medical Center
4201 Medical Center Drive
McHenry, IL 60050

Joint Commission ID #: 7375
Program: Hospital Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 05/08/2017

Dear Mr. Eesley:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- **Comprehensive Accreditation Manual for Hospitals**

This accreditation cycle is effective beginning April 25, 2015 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.


The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

1076

 Illinois Department of PUBLIC HEALTH		HF112116
LICENSE, PERMIT, CERTIFICATION, REGISTRATION		
<p>The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.</p>		
Nirav D. Shah, M.D., J.D. Director		Issued under the authority of the Illinois Department of Public Health
EXPIRATION DATE 12/13/2017	CATEGORY 	LICENSE NUMBER 7002579
Ambulatory Surgery Treatment Center		
Effective: 12/14/2016		
Algonquin Road Surgery Center, LLC 2550 Algonquin Road Lake in the Hills, IL 60516		
The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #4072320 10/11/12		

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

Exp. Date 12/13/2017

Lic Number 7002579

Date Printed 11/02/2016

Validation Num 15520

Algonquin Road Surgery Center, LLC

 2550 Algonquin Road
 Lake in the Hills, IL 60516

FEE RECEIPT NO.



June 30, 2015

Lori A. Callahan, MBA, LPN, CASC
Director
Algonquin Road Surgery Center, LLC
2550 West Algonquin Road
Lake In The Hills, IL 60156

Joint Commission ID #: 366641
Program: Ambulatory Health Care
Accreditation
Accreditation Activity: Measure of Success
Accreditation Activity Completed: 06/30/2015

Dear Mrs. Callahan:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Ambulatory Health Care

This accreditation cycle is effective beginning January 24, 2015. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

August 14, 2017

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson, Second Floor
Springfield, Illinois 62761

Dear Ms. Avery:

The undersigned are authorized representatives of Memorial Medical Center - Woodstock d/b/a Centegra Hospital - Woodstock. The sole corporate member of Centegra Hospital-Woodstock is Centegra Health System.

Centegra Health System also owns more than 5% or is the sole corporate member of the following health care facilities, as defined under the Illinois Health Facilities Planning Act (20 ILCS 3960/3).

Northern Illinois Medical Center d/b/a Centegra Hospital – McHenry
(Licensed Name: Centegra Northern Illinois Medical Center)

Northern Illinois Medical Center d/b/a Centegra Hospital – Huntley
(Licensed Name: Centegra Northern Illinois Medical Center)

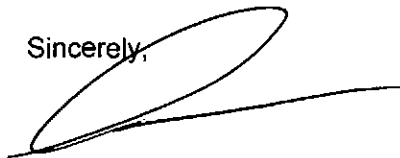
Memorial Medical Center – Woodstock d/b/a Centegra Hospital – Woodstock
(Licensed Name: Centegra Memorial Medical Center)

Algonquin Road Surgery Center

We hereby certify that there has been no adverse action taken against any health care facility owned and/or operated by Centegra Health System during the three years prior to the filing of this application.

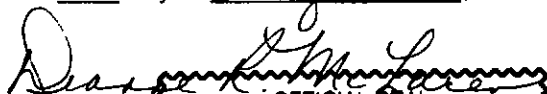
Centegra Health System hereby authorizes the Illinois Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access any documents necessary to verify the information submitted, including but not limited to the following: official records of IDPH or other state agencies; the licensing or certification records of other states, where applicable; and the records of nationally recognized accreditation organizations, as identified in the requirements specified in 77 Ill. Adm. Code 1110.230.a).

Sincerely,

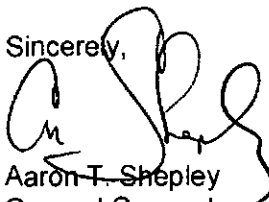


Michael S. Eesley
Chief Executive Officer
Centegra Health System

SUBSCRIBED and SWORN to before me
this 14th day of August, 2017.



Notary Public
OFFICIAL SEAL
DIANNE R MCLAREN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 12/15/19

Sincerely,



Aaron T. Shepley
General Counsel
Centegra Health System

SUBSCRIBED and SWORN to before me
this 14th day of August, 2017.


Notary Public
OFFICIAL SEAL
DIANNE R MCLAREN
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 12/15/19

ATTACHMENT-11 PAGE 13

III.

Criterion 1110.230 – Purpose of the Project

1. This project will improve the health care and result in increased well-being of the market area population by establishing the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – Woodstock as a relocation of that category of service from Centegra Hospital – McHenry.

This application for a Certificate of Need (CON) is being submitted simultaneously with an application for a Certificate of Exemption (COE) to discontinue the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry, which also has an authorized bed capacity of 22 beds. The Illinois Health Facilities Planning Act requires submission of a CON application to change the bed capacity of a hospital by relocating beds from one location to another (ILCS 3960/5(c)) as well as a CON application to establish a category of service, such as the Comprehensive Physical Rehabilitation Category of Service (ILCS 3960/12(8)(b)(2)).

Both Centegra Hospital - McHenry and Centegra Hospital - Woodstock are located in the same planning area for the Comprehensive Physical Rehabilitation Category of Service, HSA-8. The hospitals are located 9.6 miles apart, and the travel time between them is approximately 16 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)).

Both Centegra Hospital - McHenry and Centegra Hospital - Woodstock, together with Centegra Hospital – Huntley, are owned and operated by Centegra Health System, all of which are located in the same county, McHenry, and the same planning area for acute care services (Planning Area A-10). The hospitals have a unified medical staff, which permits members of their medical staffs to admit and treat patients at each of the three hospitals, and the three hospitals utilize a common medical record, which permits medical professionals to access and utilize the medical records at any of the hospitals.

Centegra Hospital - McHenry is one of four hospitals in HSA-8 to offer the Comprehensive Physical Rehabilitation Category of Service, and the number of providers of this category of service will be unchanged after the relocation of this category of service to Centegra Hospital – Woodstock.

The only provider of this category of service that is located within 45 minutes travel time of Centegra Hospital – Woodstock is Presence St. Joseph Hospital in Elgin, which is located 41 minutes away when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)).

This project will not have any impact on the calculated bed need for this category of service that has been determined by the Illinois Health Facilities and Services Review Board and Illinois Department of Public Health in the "Inventory of Health Care Facilities and Services and Need Determinations" because this project proposes to relocate all 22 authorized

Comprehensive Physical Rehabilitation beds that are being discontinued at Centegra Hospital – McHenry.

The establishment of the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – Woodstock as a relocation of the current Comprehensive Physical Rehabilitation Service at Centegra Hospital – McHenry will improve Centegra Health System's ability to provide Comprehensive Physical Rehabilitation Services to residents of HSA-8, particularly of McHenry County, including the uninsured and underinsured residents of these areas, because it is part of the implementation of a comprehensive Facilities Plan for all three of Centegra Health System's hospitals. Centegra Health System has continuously evaluated where and how it provides services to patients. The recent Facilities Plan reflects the impact of changing reimbursement rates, increasing bad debt at Centegra's facilities, and today's uncertain health care climate.

2. Both Centegra Hospital - McHenry and Centegra Hospital - Woodstock are located in HSA-8 for the Comprehensive Physical Rehabilitation Category of Service. The hospitals are located 9.6 miles apart, and the travel time between them is approximately 16 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)).

After it is established, the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital - Woodstock will serve the same patient population and continue to provide the same Health Safety Net Services within HSA-8 as those currently provided by Centegra Hospital - McHenry's Comprehensive Physical Rehabilitation Category of Service.

Although the market area for this project is HSA-8 (Kane, Lake and McHenry Counties), the planning area this category of service, geographic market (service) area consists of ZIP codes located within McHenry County, either in whole or in part.

Patient origin indicates that, during CY16, 97.5% of Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation patients resided in ZIP codes that are located within HSA-8, either in whole or in part. Additionally, for the same time period, 86.4% of the Rehab patients resided in ZIP codes that are located within McHenry County, either in whole or in part.

The following table provides the CY2016 patient origin for the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry.

COMPREHENSIVE PHYSICAL REHABILITATION CATEGORY OF SERVICE AT CENTEGRA HOSPITAL - MCHENRY						
CY2016 Inpatient Origin						
Community	ZIP Code	Cases	% of Cases	Cumulative %	County	In HSA-08?
McHenry	60050	78	16.3%	16.3%	McHenry	Yes
Crystal Lake	60014	55	11.5%	27.8%	McHenry	Yes
McHenry	60051	45	9.4%	37.2%	McHenry, Lake	Yes
Woodstock	60098	43	9.0%	46.1%	McHenry	Yes

Wonder Lake	60097	28	5.8%	52.0%	McHenry	Yes
Fox Lake	60020	28	5.8%	57.8%	McHenry, Lake	Yes
Crystal Lake	60012	21	4.4%	62.2%	McHenry	Yes
Spring Grove	60081	19	4.0%	66.2%	McHenry, Lake	Yes
Huntley	60142	19	4.0%	70.1%	McHenry, Kane	Yes
Cary	60013	14	2.9%	73.1%	McHenry, Lake	Yes
Ingleside	60041	13	2.7%	75.8%	Lake	Yes
Round Lake	60073	12	2.5%	78.3%	Lake	Yes
Algonquin	60102	10	2.1%	80.4%	McHenry, Kane	Yes
Antioch	60002	10	2.1%	82.5%	Lake	Yes
Richmond	60071	10	2.1%	84.6%	McHenry	Yes
Harvard	60033	10	2.1%	86.6%	McHenry, Boone	Yes
Lake in the Hills	60156	7	1.5%	88.1%	McHenry	Yes
Island Lake	60042	6	1.3%	89.4%	McHenry, Lake	Yes
Wauconda	60084	5	1.0%	90.4%	Lake	Yes
Barrington	60010	5	1.0%	91.4%	McHenry, Lake, Kane, Cook	Yes
Marengo	60152	5	1.0%	92.5%	McHenry	Yes
Hebron	60034	4	0.8%	93.3%	McHenry	Yes
Twin Lakes, WI	53181	3	0.6%	93.9%	Kenosha	No
Lake Villa	60046	3	0.6%	94.6%	Lake	Yes
Union	60180	3	0.6%	95.2%	McHenry	Yes
Dundee	60118	2	0.4%	95.6%	Kane, Cook	Yes
Ringwood	60072	2	0.4%	96.0%	McHenry	Yes
Genoa City, WI	53128	2	0.4%	96.5%	Walworth	No
Lake Zurich	60047	2	0.4%	96.9%	Lake	Yes
Mundelein	60060	2	0.4%	97.3%	Lake	Yes
Wadsworth	60083	1	0.2%	97.5%	Lake	Yes
Quincy	62301	1	0.2%	97.7%	Adams	No
Capron	61012	1	0.2%	97.9%	Boone	No
Waukegan	60087	1	0.2%	98.1%	Lake	Yes
Lake Geneva, WI	53147	1	0.2%	98.3%	Walworth	No
Punta Gorda, FL	33980	1	0.2%	98.5%	Charlotte	No
Lisman, AL	36912	1	0.2%	98.7%	Choctaw	No
Rockord	61102	1	0.2%	99.0%	Winnebago	No
Fox River Grove	60021	1	0.2%	99.2%	McHenry, Lake	Yes
Antioch, CA	94509	1	0.2%	99.4%	Contra Costa	No
Crystal Lake	60039	1	0.2%	99.6%	McHenry	Yes

Grayslake	60030	1	0.2%	99.8%	Lake	Yes
Vernon Hills	60061	1	0.2%	100.0%	Lake	Yes

3. This project proposes to address the following health care issues.

- This project proposes to establish a Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – Woodstock as a relocation of the existing Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry.

The existing Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry will be discontinued when the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – Woodstock becomes operational. The discontinuation of the Comprehensive Physical Rehabilitation Category of Service is proposed in a separate application for a Certificate of Exemption (COE) that is being submitted at the same time as this CON application for Centegra Hospital – Woodstock.

- This project proposes to address the need for additional Comprehensive Physical Rehabilitation beds that will exist in Planning Area HSA-8, the planning area for this category of service in which both Centegra Hospital – Woodstock and Centegra Hospital – McHenry are located, once Centegra Hospital – McHenry's application for a COE to discontinue its Comprehensive Physical Rehabilitation Category of Service is approved.

The "Revised Bed Need Determinations" to the "Inventory of Health Care Facilities and Services and Need Determinations" promulgated by the Illinois Department of Public Health (IDPH) identified an excess of 3 Comprehensive Physical Rehabilitation Beds in HSA-8 as of May 3, 2017.

When Centegra Hospital – McHenry receives a COE to discontinue its Comprehensive Physical Rehabilitation Category of Service with 22 authorized beds, there will be a bed need for 19 additional Comprehensive Physical Rehabilitation beds in Planning Area HSA-8. This project proposes to address that bed need by proposing to establish a Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – Woodstock with 22 authorized beds, which is the number of beds required to replace Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Service and to operate that service at the occupancy target.

- The proposed relocation of the Comprehensive Physical Rehabilitation Category of Service is part of a larger facilities plan for Centegra Health System. With changing reimbursements, increasing bad debt and today's uncertain health care climate, Centegra Health System has continuously evaluated where and how it provides services to patients.

After careful consideration, Centegra has made the decision to shift all acute inpatient care from Centegra Hospital – Woodstock to Centegra Hospital – McHenry and Centegra Hospital - Huntley. In order to accommodate additional M/S and ICU patients

at these facilities, Centegra is also making changes to increase overall M/S and ICU capacity for other system locations. In a letter dated July 10, 2017, Centegra Hospital – McHenry notified the Illinois Health Facilities and Services Review Board of an increase of 9 M/S beds and 9 ICU beds. Centegra Hospital - McHenry plans to use the vacated Inpatient Comprehensive Rehabilitation Unit space to accommodate the acute inpatient increases.

- The project proposes to address the need for Comprehensive Physical Rehabilitation Service for the residents of those areas within Planning Area HSA-8 that are identified by the federal government (Health Resources and Services Administration of the U.S. Department of Health and Human Services) as Medically Underserved Populations. A discussion of those census tracts is found in Item 5 below.

4. The sources of information provided as documentation are the following:

- a) Illinois Department of Public Health, "Revised Bed Need Determinations" to the "Inventory of Health Care Facilities and Services and Need Determinations," May 5, 2017;
- b) Hospital records;
- c) Centegra Health System's internal financial reporting system (EPSI);
- d) Zip code population projections from Esri;
- e) County population projections from Table 3 of the Population Projections from the IDPH Office of Health Informatics, Illinois Center for Health Statistics;
- f) Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS), HPSA & MUA/P Shortage Areas and Populations by Address, <https://datawarehouse.hrsa.gov/tools/analyzers/geo/ShortageArea.aspx>
- g) Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS), Medically Underserved Areas and Populations by State and County, <http://muafind.hrsa.gov/index.aspx> for McHenry County;
- h) Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS), Health Professional Shortage Areas by State and County, <https://datawarehouse.hrsa.gov/tools/analyzers/hpsafind.aspx> for McHenry County;
- i) Illinois Hospital Licensing Requirements for Comprehensive Physical Rehabilitation Beds (77 Ill. Adm. Code 250.810-890, 250.2440);
- j) U.S. Department of Justice, 2010 ADA Standards for Accessible Design. 2010, www.ada.gov/2010ADAstandards_index.htm;
- k) Illinois Accessibility Code, 1997.
- l) National Fire Protection Association, NFPA 101: Life Safety Code, 2012 Edition;
- m) The Facilities Guidelines Institute with assistance from the U.S. Department of Health and Human Services, Guidelines for Design and Construction of Health Care Facilities, 2014 Edition. 2014: ASHE (American Society for Healthcare Engineering). Section 2.6

5. Both Centegra Hospital - McHenry and Centegra Hospital - Woodstock are located in HSA-8 for the Comprehensive Physical Rehabilitation Category of Service. The hospitals are located 9.6 miles apart, and the travel time between them is approximately 16 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)).

After it is established, the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital - Woodstock will serve the same patient population and continue to provide the same Health Safety Net Services within HSA-8 as those currently provided by Centegra Hospital - McHenry's Comprehensive Physical Rehabilitation Category of Service.

By providing these services to this patient population, this project will address the health care and well-being of residents of Planning Area HSA-8 as well as others currently served by the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital - McHenry and those that will be served by this service at Centegra Hospital - Woodstock.

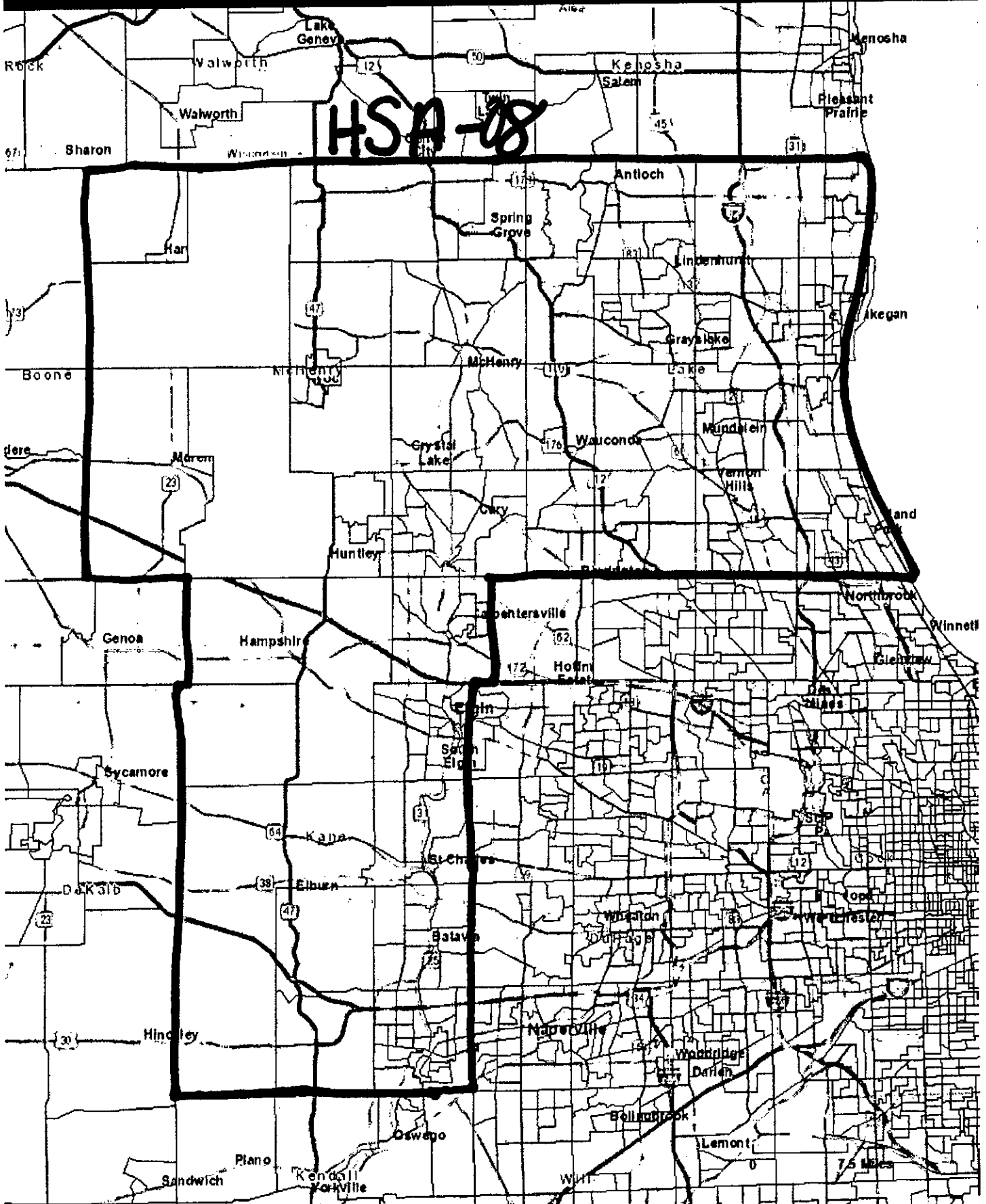
This project will impact those areas within Planning Area HSA-8 that are identified by the federal government (Health Resources and Services Administration of the U.S. Department of Health and Human Services) as having Medically Underserved Populations.

Within Planning Area HSA-8 (Kane, Lake, and McHenry Counties), there are 43 census tracts that have been designated as having a federally-designated Medically Underserved Area/Population, a designation that is made to document unusual local conditions and barriers to accessing health services. Three of these census tracts are within McHenry County, nine in Kane County and 31 in Lake County.

Within Planning Area HSA-8 (Kane, Lake, and McHenry Counties), there are 44 census tracts that have been designated as being Health Care Professional Shortage Areas for Primary Care. None of these census tracts are within McHenry County. The identification of these areas is found starting on Page 7 of this Attachment.

This project will have a positive impact on those patients residing in these areas who require care in the Comprehensive Physical Rehabilitation Unit that will be established at Centegra Hospital - Woodstock.

6. Centegra Health System's goal in establishing a Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital - Woodstock is to relocate the county's only Comprehensive Physical Rehabilitation Category of Service in order to provide quality inpatient comprehensive physical rehabilitation care to residents of its planning area in accordance with IDPH's determination of bed need for these services. This relocation will allow the health system to more effectively and efficiently provide the proper acute care services to its patients.



7/24/2017

HRSA
HEALTH RESOURCES & SERVICES ADMINISTRATION

ATTACHMENT-12, PAGE 7

HRSA Data Warehouse

State: Illinois

County: Kane County, Lake County, McHenry County

MUA ID: All

County Name	County FIPS Code	Service Area Name	MUA/P Source Identification Number	Designation Type	Population Type	Index of Medical Underservice Score	MUA/P Designation Date	MUA/P Update Date
Kane County	089	Inner City Aurora Service Area	00833	Medically Underserved Area	Medically Underserved Area	58.40	04/04/1994	04/11/2002
CT 8529.04								
CT 8532.00								
CT 8533.00								
CT 8534.00								
CT 8535.00								
CT 8536.00								
CT 8547.00								
Kane County	089	Kane Service Area	00905	Medically Underserved Area	Medically Underserved Area	54.30	05/11/1994	05/11/1994
CT 8546.00								
Kane County	089	Central Carpentersville Service Area	06186	Medically Underserved Area	Medically Underserved Area	59.30	01/30/2001	01/30/2001
CT 8503.01								
Lake County	097	North Chicago Service Area	00823	Medically Underserved Area	Medically Underserved Area	60.30	08/26/1992	02/03/1994
CT 8628.00								
CT 8629.01								
CT 8630.04								
CT 8630.05								
CT 8631.00								
CT 8632.01								
Lake County	097	Low Inc - Waukegan Service Area	00824	Medically Underserved Area - Governor's Exception	Medically Underserved Area	0.00	08/26/1992	02/03/1994
CT 8617.01								
CT 8618.03								

HRSA Data Warehouse

County Name	County FIPS Code	Service Area Name	MUA/P Source Identification Number	Designation Type	Population Type	Index of Medical Underservice Score	MUA/P Designation Date	MUA/P Update Date
CT 8619.01								
CT 8619.02								
CT 8620.00								
CT 8621.00								
CT 8622.00								
CT 8623.00								
CT 8624.02								
CT 8625.02								
CT 8626.03								
CT 8626.04								
CT 8627.00								
CT 8661.00								
Lake County	097	Low Inc - Zion Service Area	00825	Medically Underserved Area - Governor's Exception	Medically Underserved Area	0.00	08/26/1992	02/03/1994
CT 8602.00								
CT 8603.02								
CT 8605.00								
Lake County	097	Highland Park/highwood Service Area	07115	Medically Underserved Area - Governor's Exception	Medically Underserved Area	0.00	11/26/2001	11/26/2001
CT 8647.00								
CT 8652.00								
CT 8653.00								
CT 8654.00								
CT 8655.01								
CT 8656.00								
CT 8657.00								
CT 8658.01								
McHenry County	111	Pov Pop - Woodstock	07301	Medically Underserved Population -	MUP Other Population	0.00	02/28/2003	02/28/2003

HRSA Data Warehouse

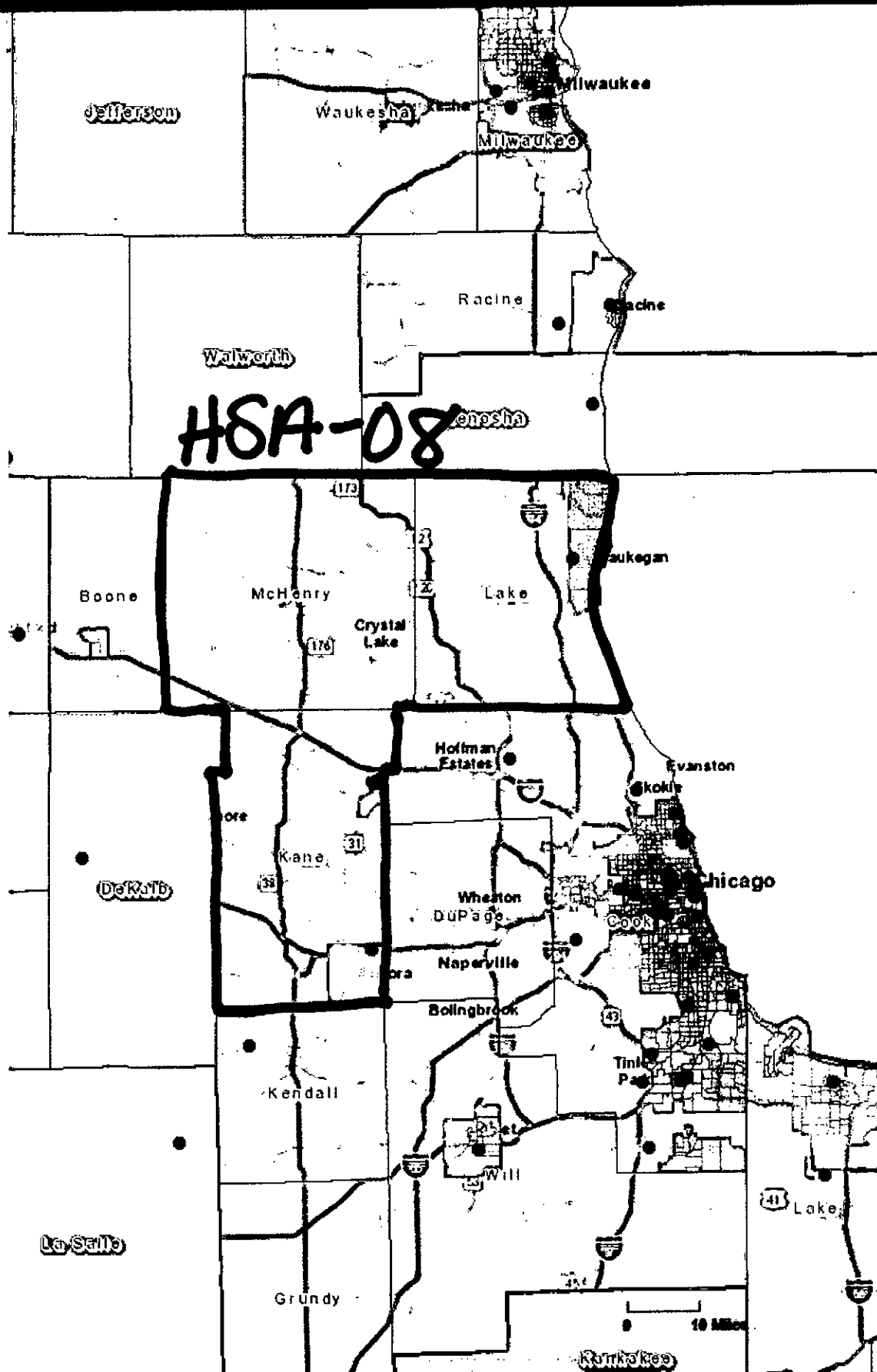
County Name	County FIPS Code	Service Area Name	MUA/P Source Identification Number	Designation Type	Population Type	Index of Medical Underservice Score	MUA/P Designation Date	MUA/P Update Date
CT 8702.00				Governor's Exception				
CT 8709.02								
CT 8715.00								

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Legend:

- ☐ County
- ☐ HPSA - Medical Health
- ☐ HPSA - Mental Health
- ☐ HPSA - Dental Health
- ☐ HPSA - Primary Care
- ☐ HPSA - Primary Care



HRSA Data Warehouse

County Name	County FIPS Code	HPSA ID	HPSA Name	HPSA Discipline Class	Designation Type	Population Type	HPSA FTE	HPSA Score	HPSA Status	HPSA Designation Last Update Date
Kane County	089	117999178P	Low Income - Aurora	Primary Care	HPSA Population	Low Income Population HPSA	9	12	Designated	05/15/2012

County Name	County FIPS Code	HPSA ID	HPSA Name	HPSA Discipline Class	Designation Type	HPSA FTE	HPSA Score	HPSA Status	HPSA Designation Last Updated Date	
Kane County	089		Aurora	Primary Care	Minor Civil Division			Designated	05/15/2012	
Kane County	089	117999178W	Low Income - Elgin	Primary Care	HPSA Population	Low Income Population HPSA	1	14	Designated	05/16/2012

County Name	County FIPS Code	HPSA ID	HPSA Name	HPSA Discipline Class	Designation Type	HPSA FTE	HPSA Score	HPSA Status	HPSA Designation Last Updated Date	
Kane County	089		8508	Primary Care	Census Tract			Designated	05/16/2012	
Kane County	089		8513.01	Primary Care	Census Tract			Designated	05/16/2012	
Kane County	089		8513.02	Primary Care	Census Tract			Designated	05/16/2012	
Kane County	089		8514	Primary Care	Census Tract			Designated	05/16/2012	
Kane County	089		8515	Primary Care	Census Tract			Designated	05/16/2012	
Kane County	089		8516	Primary Care	Census Tract			Designated	05/16/2012	
Kane County	089		8546	Primary Care	Census Tract			Designated	05/16/2012	
Kane County	089		8549	Primary Care	Census Tract			Designated	05/16/2012	
Kane County	089	61799917A6	Low Income - Aurora	Dental Health	HPSA Population	Low Income Population HPSA	3	15	Designated	05/18/2012

County Name	County FIPS Code	HPSA ID	HPSA Name	HPSA Discipline Class	Designation Type	HPSA FTE	HPSA Score	HPSA Status	HPSA Designation Last Updated Date	
Kane County	089		Aurora	Dental Health	Minor Civil Division			Designated	05/18/2012	
Lake County	097	11799917QG	Low Income - Waukegan/Zion/Benton	Primary Care	HPSA Population	Low Income Population	6	11	Designated	11/30/2012

HRSA Data Warehouse

County Name	County FIPS Code	HPSA ID	HPSA Name	HPSA Discipline Class	Designation Type	Population Type	HPSA FTE	HPSA Score	HPSA Status	HPSA Designation Last Update Date
County Name	County FIPS Code	HPSA ID	HPSA Name	HPSA Discipline Class	Designation Type	HPSA	HPSA FTE	HPSA Score	HPSA Status	HPSA Designation Last Updated Date
Lake County	097		8601.01	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8601.03	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8601.04	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8602	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8603.01	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8603.02	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8604	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8605	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8606	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8617.01	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8617.02	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8618.03	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8618.04	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8619.01	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8619.02	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8620	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8621	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8622	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8623	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8624.01	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8624.02	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8625.01	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8625.02	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8626.03	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8626.04	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8626.05	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8627	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8628	Primary Care	Census Tract				Designated	11/30/2012

HRSA Data Warehouse

County Name	County FIPS Code	HPSA ID	HPSA Name	HPSA Discipline Class	Designation Type	Population Type	HPSA FTE	HPSA Score	HPSA Status	HPSA Designation Last Update Date
County Name	County FIPS Code	HPSA ID	HPSA Name	HPSA Discipline Class	Designation Type	HPSA FTE	HPSA Score	HPSA Status	HPSA Designation Last Updated Date	
Lake County	097		8629.01	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8629.02	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8630.03	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8630.04	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8630.05	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8631	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8632.01	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097		8661	Primary Care	Census Tract				Designated	11/30/2012
Lake County	097	617999172Q	Low Income - Waukegan/Zion/Benton	Dental Health	HPSA Population	Low Income Population HPSA	4	12	Designated	04/23/2014
County Name	County FIPS Code	HPSA ID	HPSA Name	HPSA Discipline Class	Designation Type	HPSA FTE	HPSA Score	HPSA Status	HPSA Designation Last Updated Date	
Lake County	097		Benton	Dental Health	Minor Civil Division			Designated	04/23/2014	
Lake County	097		Waukegan	Dental Health	Minor Civil Division			Designated	04/23/2014	
Lake County	097		Zion	Dental Health	Minor Civil Division			Designated	04/23/2014	

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III.

Criterion 1110.230 – Alternatives

1. The following alternatives to the proposed project were considered and rejected.
 - a. Do not discontinue the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry.
 - b. Discontinue the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry, but do not establish the category of service at Centegra Hospital – Woodstock.
2. Each of the alternatives was rejected for the following reasons.
 - a. Do not discontinue the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry.

Capital Costs for this alternative: \$0

This alternative was determined to be infeasible because it would prevent Centegra Health System, the owner and operator of Centegra Hospital – McHenry, from implementing its comprehensive Facilities Plan.

Centegra Hospital – McHenry, as well as the two other Centegra hospitals, Centegra Hospital – Woodstock and Centegra Hospital – Huntley, are located in McHenry County, which is part of HSA-8, the planning area for the Comprehensive Physical Rehabilitation Category of Service.

Centegra Health System has continuously evaluated where and how it provides services to patients. The recent Facilities Plan reflects the impact of changing reimbursement rates, increasing bad debt at Centegra's facilities, and today's uncertain health care climate.

The discontinuation of Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Category of Service will enable this hospital to increase its authorized Medical/Surgical (M/S) and Intensive Care beds in order to accommodate a significant portion of Centegra Hospital – Woodstock's current acute care caseload. It is necessary to do so in order to implement Centegra Health System's decision to discontinue all acute inpatient care at Centegra Hospital – Woodstock, shifting these caseloads to Centegra Hospital – McHenry and Centegra Hospital – Huntley.

If this alternative were to be implemented, Centegra Hospital – McHenry would not be able to accommodate a portion of Centegra Hospital – Woodstock's M/S and Intensive Care caseloads because it would not have space available to do so.

- b. Discontinue the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry, but do not establish the category of service at Centegra Hospital – Woodstock.

Capital costs for this alternative: \$0.

This alternative was determined to be infeasible for the following reasons.

- Implementation of this alternative would create a bed need for 19 additional Comprehensive Physical Rehabilitation beds in the planning area (HSA-8) and would leave McHenry County without any Comprehensive Physical Rehabilitation Category of Service.
 - Implementation of this alternative would leave many parts of McHenry County without access to Comprehensive Physical Rehabilitation Services because there is only one provider of this category of service within 45 minutes travel time of Centegra Hospital – McHenry and Centegra Hospital – Woodstock, and that hospital (Presence Saint Joseph Hospital, Elgin) is experiencing 95% occupancy of its authorized Comprehensive Physical Rehabilitation beds.
3. This item is not applicable to this project as it is proposing the relocation of an existing Comprehensive Physical Rehabilitation Category of Service.

IV.

Size of Project

This project proposes the establishment of a Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – Woodstock that will be the relocation of the Comprehensive Physical Rehabilitation Category of Service from Centegra Hospital – McHenry.

This project includes the Comprehensive Physical Rehabilitation Category of Service (Nursing Unit) with an authorized bed capacity of 22 beds and a Rehabilitation Therapy area dedicated to Comprehensive Physical Rehabilitation inpatients, with Physical, Occupational, and Speech Therapy.

Both of these are Clinical Service Areas.

1. The physical space for the proposed project is necessary and not excessive.

The space for the Comprehensive Physical Rehabilitation Nursing Unit was determined based upon the proposed number of beds.

The proposed number of Comprehensive Physical Rehabilitation beds (bed capacity) was determined by the following:

- Historic utilization of the Comprehensive Physical Rehabilitation Service (nursing unit) at Centegra Hospital – McHenry, which will be relocated to Centegra Hospital – Woodstock;
- Projected utilization of the Comprehensive Physical Rehabilitation Service (nursing unit) at Centegra Hospital – Woodstock, based upon the physician referral letters in Attachment 20 that document that they will continue to refer the same number of patients to this category of service at Centegra Hospital – Woodstock as they have historically referred to this category of service at Centegra Hospital – McHenry.

The physical space proposed for both the Comprehensive Physical Nursing Unit and Rehabilitation Therapies was determined by identifying the appropriate programmatic elements for these Clinical Service Areas, with full consideration of licensing and accreditation requirements.

In addition, since both the Comprehensive Physical Rehabilitation Nursing Unit and the Rehabilitation Therapies will be utilizing space vacated by the Medical/Surgical Category of Service, it was necessary to design this space to fit within the space being vacated.

The Rehabilitation Therapy space will be designated for therapy services solely for inpatients in the hospital's Comprehensive Physical Rehabilitation Nursing Unit. This space includes areas for Physical Therapy, Occupational Therapy (including model

rooms for Activities of Daily Living, such as a kitchen/dining room, bedroom, and bathroom), and Speech Therapy.

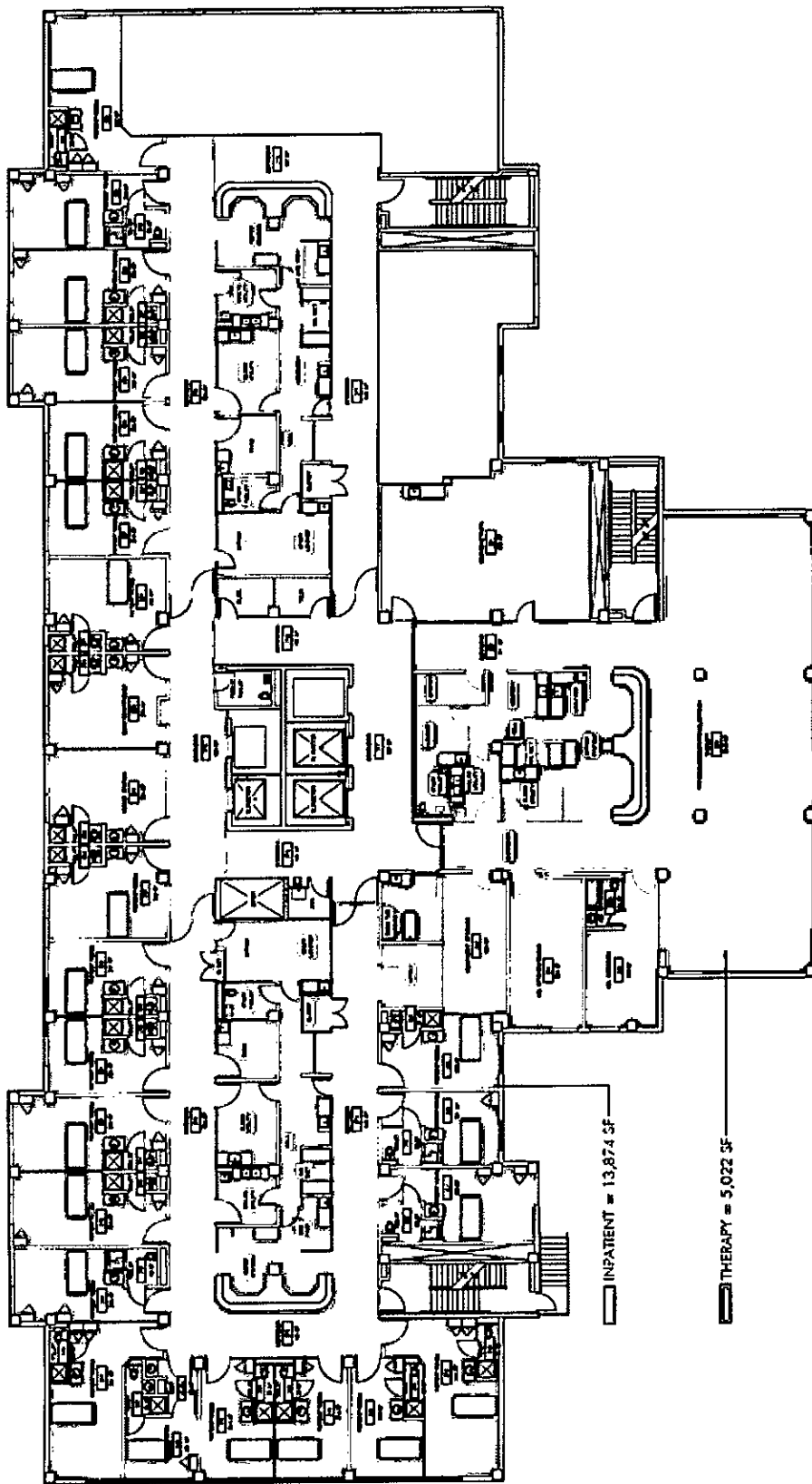
Floor plans and space programs for these Clinical Service Areas are appended to this Attachment.

The State Guidelines for the Comprehensive Physical Rehabilitation Service (nursing Unit), which are found in 77 Ill. Adm. Code 1110.APPENDIX B, list the standard for Comprehensive Physical Rehabilitation to be 525-660 dgsf/bed, which is a range of 11,550 – 14,520 dgsf for a 22 bed unit.

There are no State Guidelines for Rehabilitation Therapies (e.g., Physical Therapy, Occupational Therapy, Speech Therapy).

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
Comprehensive Physical Rehabilitation	13,874 dgsf	11,550 – 14,520 dgsf	Within standard	Yes
Rehabilitation Therapies (Physical Therapy, Occupational Therapy, Speech Therapy)	5,022 dgsf	n/a	n/a	n/a

2. This section does not apply because the gross square footage proposed for the Comprehensive Physical Rehabilitation Category of Service is within the state standard.



① PROPOSED PLAN
10-1-02

Space Program

Comprehensive Physical Rehabilitation Space Program

Patient Area

<u>Area</u>	<u>Quantity</u>
Patient Rooms	21
Isolation Patient Room with Anteroom	1
Patient Bathroom	22
Entry/charting	22

Staff Area

<u>Area</u>	<u>Quantity</u>
Nurse Stations	3
Med Prep	2
Clean Utility	2
Soiled Utility	2
Doctor Dictation	2
Offices	2
Care Conference	1
Dining/Activity	1
Exam Rooms	2
Nourishment	1
Staff Lounge	2
Staff Toilet	2
Closet	1

Space Program

Rehabilitation Therapies Space Program

Patient Area

<u>Area</u>	<u>Quantity</u>
Physical, Occupational, Speech Therapy Open Area	1
Speech Therapy Room	1
Activities of Daily Living (ADL) Bedroom	1
ADL Bathroom	1
ADL Kitchen/Dining	1
Nurse Station	1
Med Prep	1
Clean Utility	1
Soiled Utility	1
Doctor Dictation	1
Office	1
Exam Tub Room	1
Nourishment	1
Staff Lounge	1
Staff Toilet	1

IV.

Project Services Utilization

This project consists solely of the Comprehensive Physical Rehabilitation Category of Service.

The Comprehensive Physical Rehabilitation Category of Service includes both inpatient Comprehensive Physical Rehabilitation Services and a number of Clinical Service Areas that are not Categories of Service.

The only Clinical Service Area included in this project for which a utilization standard is specified in 1110.APPENDIX B is the nursing unit for the Comprehensive Physical Rehabilitation Category of Service. The Illinois Certificate of Need (CON) Rules include an occupancy standard of 85% of authorized beds for the Comprehensive Physical Rehabilitation Category of Service.

In addition to the Clinical Service Area that is a Category of Service, this project includes the following Clinical Service Areas Other than Categories of Service:

- Physical Therapy
- Occupational Therapy
- Speech Therapy

There are no State Guidelines (77 Ill. Adm. Code 1110.APPENDIX B) for these Clinical Service Areas.

Other allied health services that are identified in the Illinois Hospital Licensing Requirements for a Comprehensive Physical Rehabilitation Service (77 Ill. Adm. Code 250.880(a)) will be provided by existing staff in their current department locations at Centegra Hospital – Woodstock.

Space programs for all Clinical Service Areas included in this project, including those for which State Guidelines do not exist in 77 Ill. Adm. Code 1110.APPENDIX B, will be found in Attachment 14 of this application.

Projected utilization for the first two fiscal years of operation for the Comprehensive Physical Rehabilitation Category of Service is found below:

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1	Comprehensive Physical Rehabilitation	0* at Centegra Hospital – Woodstock, 6,556 patient	6,823 patient days, 18.64 Average Daily Census,	85% OCCUPANCY	Yes

		days at Centegra Hospital – McHenry during CY16	85% Occupancy		
YEAR 2	Comprehensive Physical Rehabilitation	0* at Centegra Hospital – Woodstock, 6,556 patient days at Centegra Hospital – McHenry during CY16	6,878 patient days, 18.84 Average Daily Census, 86% Occupancy	85% OCCUPANCY	Yes

*Although this project proposes to establish a new Rehab Category of Service at Centegra Hospital - Woodstock, this project is a relocation of an existing Rehab Category of Service from Centegra Hospital - McHenry.

The following assumptions were used to project the utilization of the Comprehensive Physical Rehabilitation Category of Service for its first two years of operation.

1. Centegra Hospital – Woodstock's Comprehensive Physical Rehabilitation Category of Service will be a relocation of the existing Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry.
2. During CY16, Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Service experienced 6,556 patient days.
3. The Comprehensive Physical Rehabilitation Category of Service will experience slight annual increases in inpatient utilization, both at its current location at Centegra Hospital – McHenry and also at its future location at Centegra Hospital – Huntley because of projected population increases in McHenry County (part of HSA-8, the planning area for this category of service, and the geographic service area in which a majority of Centegra Health System's patients reside).

The Illinois Department of Public Health's (IDPH's) Office of Health Informatics, Illinois Center for Health Statistics has provided population projections for the 10-year period of 2015 to 2025 in its "Population Projections, Table 3." This document estimated McHenry County's 2015 population to be 326,691 and projected that McHenry County's population will increase to 363,311 by 2025. These figures project 11.2% growth during the 10 year period, or a compounded annual growth rate of 1.07%.

4. Based on this annual projected population increase of 1.07%, in Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Service were increased by 0.535% (50% of the annual increase) for FY17. This was a projected increase in patient days to 6,591.
5. Once the patient days were prorated to a fiscal year basis, based on this annual projected population increase of 1.07%, FY18 patient days in Centegra Hospital –

McHenry's Comprehensive Physical Rehabilitation Service were determined. They are projected to increase to 6,662.

6. During FY19, when the Comprehensive Physical Rehabilitation Service will relocate from Centegra Hospital – McHenry to Centegra Hospital – Woodstock, the patient days in this category of service are projected to total 6,733 at the two locations.
7. Centegra Hospital – Woodstock's Comprehensive Physical Rehabilitation Category of Service will become operational during FY19, and its first complete fiscal year of operation will be FY20.
8. FY20 is a leap year. The projected utilization of Centegra Hospital – Woodstock's Comprehensive Physical Rehabilitation Service during its first full fiscal year of operation at this hospital will total 6,823 because of the leap year, which has 366 days, instead of the non-leap year total of 365 days.

This projected utilization is calculated in the following manner. The Average Daily Census of this service during FY19 was 18.45 (6,733 divided by 365 days). This Average Daily Census will increase by 1.07% to 18.64 in FY20. The total patient days in FY20 are projected to be 6,823 by multiplying the Average Daily Census of 18.64 x 366 days.

8. During FY21, the second full year of operation of Centegra Hospital – Woodstock's Comprehensive Physical Rehabilitation Service is projected to experience 6,878 patient days.

This projection is calculated in the following manner. The FY21 Average Daily Census is projected to increase to 18.84 by multiplying the FY20 Average Daily Census of 18.64 by the projected annual population increase of 1.07%. The Average Daily Census was then multiplied by 365 to calculate the projected total patient days.

VI. B. 3.

Criteria 1110.630 Comprehensive Physical Rehabilitation Beds – Review Criteria

Criterion 1110.630(c)(1) – Planning Area Need -77 Ill. Adm. Code 1100 (formula calculation)

- A. This project proposes to establish the Comprehensive Physical Rehabilitation Category of Service with an authorized bed capacity of 22 beds at Memorial Medical Center – Woodstock d/b/a Centegra Hospital – Woodstock as a relocation of this category of service and its authorized bed capacity from Northern Illinois Medical Center d/b/a Centegra Hospital – McHenry. The Comprehensive Physical Rehabilitation Unit at Centegra Hospital – Woodstock will include both a 22-bed inpatient Comprehensive Physical Rehabilitation unit and therapy space.

This certificate of need (CON) application is being submitted simultaneously with an application for a Certificate of Exemption (COE) to discontinue the Comprehensive Physical Rehabilitation Category of Service with its authorized bed capacity of 22 beds at Centegra Hospital – McHenry. Under the Illinois Health Facilities Planning Act (ILCS 3960/5(c)), a CON application is required to change the bed capacity of a hospital by relocating beds from one location to another, while a CON application is also required to establish a category of service (ILCS 3960/12(8)(b)(1)) and a COE is required to discontinue a category of service within an existing healthcare facility (ILCS 3960/12(8)(b)(2)).

Both Centegra Hospital – Woodstock and Centegra Hospital – McHenry, together with Northern Illinois Medical Center d/b/a Centegra Hospital – Huntley, are owned and operated by Centegra Health System. The three hospitals are located in the same county (McHenry), the same planning area for acute care services (Planning Area A-10), and the same planning area for the Comprehensive Physical Rehabilitation Category of Service (Health Service Area 8).

These three hospitals have a unified medical staff, which permits members of their medical staff to admit and treat patients at each of the three hospitals, and the hospitals utilize a common medical record, which permits medical professionals to access and utilize patients' medical records at any of the hospitals.

Centegra Hospital – Woodstock and Centegra Hospital – McHenry are located 9.6 miles apart, and the travel time between them is approximately 16 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)).

- B. This project will not have any impact on the calculated bed need for this category of service that has been determined by the Illinois Health Facilities and Services Review Board and Illinois Department of Public Health in the "Inventory of Health Care Facilities and Services and Need Determinations" because this project proposes to relocate all 22 authorized

Comprehensive Physical Rehabilitation beds that are being discontinued at Centegra Hospital – McHenry.

In addition, this project proposes to establish the number of Comprehensive Physical Rehabilitation beds needed "to meet the health care needs of the population served" (77 Ill. Adm. Code 1110.630(c)(1)(A) because the projected occupancy of the proposed Comprehensive Physical Rehabilitation Service is 86%, which will be in compliance with the utilization target of 85% for this category of service (77 Ill. Adm. Code 1100.550(c)).

Criterion 1110.630(c)(2) – Service to Planning Area Residents

- A. The primary purpose of the proposed project is "to provide necessary health care to the residents of "Health Service Area 8 (HSA-8), the planning area in which Centegra Hospital – Woodstock is located.

As noted under the response to the previous review criterion, this project is a relocation of the Comprehensive Physical Rehabilitation Category of Service from Centegra Hospital – McHenry to Centegra Hospital – Woodstock. Both hospitals are located in the same planning area for this category of service (HSA-8) and share a service area. The primary purpose of this project will be to serve the same patients as have been served at Centegra Hospital – McHenry.

Patient origin data for Calendar Year (CY) 2016, as shown below, indicates that 97.5% of the patients receiving Comprehensive Physical Rehabilitation Services at Centegra Hospital – McHenry resided in zip codes that are located in HSA-8, either in whole or in part.

COMPREHENSIVE PHYSICAL REHABILITATION CATEGORY OF SERVICE AT CENTEGRA HOSPITAL - MCHENRY						
CY2016 Inpatient Origin						
Community	ZIP Code	Cases	% of Cases	Cumulative %	County	In HSA-08?
McHenry	60050	78	16.3%	16.3%	McHenry	Yes
Crystal Lake	60014	55	11.5%	27.8%	McHenry	Yes
McHenry	60051	45	9.4%	37.2%	McHenry, Lake	Yes
Woodstock	60098	43	9.0%	46.1%	McHenry	Yes
Wonder Lake	60097	28	5.8%	52.0%	McHenry	Yes
Fox Lake	60020	28	5.8%	57.8%	McHenry, Lake	Yes
Crystal Lake	60012	21	4.4%	62.2%	McHenry	Yes
Spring Grove	60081	19	4.0%	66.2%	McHenry, Lake	Yes
Huntley	60142	19	4.0%	70.1%	McHenry, Kane	Yes
Cary	60013	14	2.9%	73.1%	McHenry, Lake	Yes
Ingleside	60041	13	2.7%	75.8%	Lake	Yes
Round Lake	60073	12	2.5%	78.3%	Lake	Yes
Algonquin	60102	10	2.1%	80.4%	McHenry, Kane	Yes
Antioch	60002	10	2.1%	82.5%	Lake	Yes
Richmond	60071	10	2.1%	84.6%	McHenry	Yes
Harvard	60033	10	2.1%	86.6%	McHenry, Boone	Yes
Lake in the Hills	60156	7	1.5%	88.1%	McHenry	Yes
Island Lake	60042	6	1.3%	89.4%	McHenry, Lake	Yes
Wauconda	60084	5	1.0%	90.4%	Lake	Yes
Barrington	60010	5	1.0%	91.4%	McHenry, Lake, Kane, Cook	Yes

Marengo	60152	5	1.0%	92.5%	McHenry	Yes
Hebron	60034	4	0.8%	93.3%	McHenry	Yes
Twin Lakes, WI	53181	3	0.6%	93.9%	Kenosha	No
Lake Villa	60046	3	0.6%	94.6%	Lake	Yes
Union	60180	3	0.6%	95.2%	McHenry	Yes
Dundee	60118	2	0.4%	95.6%	Kane, Cook	Yes
Ringwood	60072	2	0.4%	96.0%	McHenry	Yes
Genoa City, WI	53128	2	0.4%	96.5%	Walworth	No
Lake Zurich	60047	2	0.4%	96.9%	Lake	Yes
Mundelein	60060	2	0.4%	97.3%	Lake	Yes
Wadsworth	60083	1	0.2%	97.5%	Lake	Yes
Quincy	62301	1	0.2%	97.7%	Adams	No
Capron	61012	1	0.2%	97.9%	Boone	No
Waukegan	60087	1	0.2%	98.1%	Lake	Yes
Lake Geneva, WI	53147	1	0.2%	98.3%	Walworth	No
Punta Gorda, FL	33980	1	0.2%	98.5%	Charlotte	No
Lisman, AL	36912	1	0.2%	98.7%	Choctaw	No
Rockord	61102	1	0.2%	99.0%	Winnebago	No
Fox River Grove	60021	1	0.2%	99.2%	McHenry, Lake	Yes
Antioch, CA	94509	1	0.2%	99.4%	Contra Costa	No
Crystal Lake	60039	1	0.2%	99.6%	McHenry	Yes
Grayslake	60030	1	0.2%	99.8%	Lake	Yes
Vernon Hills	60061	1	0.2%	100.0%	Lake	Yes

- B. This section is not applicable because the project proposes to establish the Comprehensive Physical Rehabilitation Category of Service, not to add beds to an existing service.
- C. This section is not applicable because the project proposes to establish the Comprehensive Physical Rehabilitation Category of Service, not to expand an existing service.

Criterion 1110.630(c)(3) – Planning Area Need – Service Demand – Establishment of Category of Service

A. Historical Referrals

As noted earlier in this application and this Attachment, this project proposes to relocate an existing Comprehensive Physical Rehabilitation Category of Service with an authorized bed capacity of 22 beds from Centegra Hospital – McHenry to Centegra Hospital – Woodstock. The two hospitals are located in the same planning area, serve the same patient population, and project the same volume at Centegra Hospital – Woodstock as have been experienced historically at Centegra Hospital – McHenry, as documented by the physician referral letters that will be found in Appendix 1. In addition, referrals to the Comprehensive Physical Rehabilitation Service are projected to increase commensurate with projected population growth.

During CY16, Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Category of Service experienced 479 patient admissions with a total of 6,556 patient days. This utilization will constitute the historic referrals for this category of service when it is relocated to Centegra Hospital – Woodstock.

B. Projected Referrals

As noted previously in this application and this Attachment, this project is a relocation of an existing Comprehensive Physical Rehabilitation Category of Service from Centegra Hospital – McHenry. In accordance with the Illinois Health Facilities Planning Act and the CON Rules, this CON application is for the establishment of a Comprehensive Physical Rehabilitation Category of Service.

Because of this relocation, the historic utilization of Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Service constitutes the projected referrals presented to justify the establishment of the relocated category of service.

Consequently, the projected referrals to the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry include referral letters from the Physiatrists (the medical specialty for physicians with a specialty in Physical Medicine and Rehabilitation) who currently practice in the Comprehensive Physical Rehabilitation Service at Centegra Hospital – McHenry and will relocate their practices to the Comprehensive Physical Rehabilitation Service at Centegra Hospital – Woodstock.

During CY16, 477 of the 479 patients treated in Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Category of Service were referred by the following admitting physicians, and these patients experienced a total of 6,544 patient days in the hospital's Comprehensive Physical Rehabilitation Unit.

Dr. B.C. Shankara: 291 admissions, 3,850 patient days;
Dr. Shandya Meesala: 186 admissions, 2,694 patient days

Two (2) additional physicians each referred 1 patient to the Comprehensive Physical Rehabilitation Category of Service, and these patients experienced a total of 12 days in the hospital's Comprehensive Physical Rehabilitation Unit.

Total Projected Utilization Based on Historic Utilization:
479 Patients, 6,556 Patient Days
6,556 Patient Days = 17.91 Average Daily Census (ADC) based on a leap year
Justifies 22 beds

This Attachment includes the signed, notarized statements from each of these 2 Psychiatrists attesting to the number of patients they referred to Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Service during CY16 and a statement from each that they intend to admit all of their historic referrals to the relocated Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – Woodstock. These statements will be found in Appendix 1.

In addition to the fact that the projected utilization of Centegra Hospital – Woodstock's Comprehensive Physical Rehabilitation Category of Service with an authorized bed capacity of 22 beds is justified by the historic referrals to Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Service, the projected population increase in McHenry County is likely to result in additional referrals to this category of service during the next 10 years.

The Illinois Department of Public Health's (IDPH's) Office of Health Informatics, Illinois Center for Health Statistics has provided population projections for the 10-year period of 2015 to 2025 in its "Population Projections, Table 3." This document estimated McHenry County's 2015 population to be 326,691 and projected that McHenry County's population will increase to 363,311 by 2025. These figures project 11.2% growth during the 10-year period, or a compounded annual growth rate of 1.07%.

This projected population increase will result in increased patient days in the Comprehensive Physical Rehabilitation Unit. When the projected population increase in McHenry County is considered, the Comprehensive Physical Rehabilitation Category of Service's patient days are projected to be 6,878 in FY21, the second full fiscal year of operation of this category of service at Centegra Hospital - Woodstock.

This will result in Centegra Hospital – Woodstock having an average daily census of 18.84 in the Comprehensive Physical Rehabilitation Unit, which would justify 23 Comprehensive Physical Rehabilitation beds at 85% occupancy.

FY21 Total Projected Utilization
Based on Historic Utilization Plus Projected Population Growth:
 $6,878 \text{ projected patient days} / 365 \text{ days per year} @ 85\% \text{ occupancy} = 23 \text{ justifiable beds}$

C. Projected Service Demand – Based on Rapid Population Growth

This CON application is not based on rapid population growth, as a result of which this section is not applicable.

4. Criterion 1110.630(c)(4) – Planning Area Need – Service Demand – Expansion of Existing Category of Service

This section is not applicable because the project proposes to establish the Rehab Category of Service.

Criterion 1110.630(c)(5) – Planning Area Need – Service Accessibility

The number of beds proposed to be established at Centegra Hospital – Woodstock for the Comprehensive Physical Rehabilitation Category of Service is necessary to improve access or residents of the HSA-8 planning area because the proposed project will replace the existing Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry.

A. Service Restrictions

The proposed project meets the factor identified in 77 Ill. Adm. Code 1110.630(c)(5)(v): "For purposes of this subsection (c)(5) only, all services within the 45-minute normal travel time meet or exceed the utilization standard specified in 77 Ill. Adm. Code 1100."

The utilization standard (occupancy target) specified in 77 Ill. Adm. Code 1100.550(c) for the Comprehensive Physical Rehabilitation Category of Service is 85%.

There are currently two hospitals located within the 45-minute normal travel time of Centegra Hospital – Woodstock that provide the Comprehensive Physical Rehabilitation Category of Service: Presence Saint Joseph Hospital in Elgin and Centegra Hospital – McHenry in McHenry.

The following table shows the travel times and CY15 utilization for facilities located within 45 minutes travel time of Centegra Hospital – Woodstock that provide the Comprehensive Physical Rehabilitation Category of Service:

<u>Facility and Town</u>	<u>Adjusted Travel Time*</u>	<u>CY15 Occupancy based on Authorized Bed Capacity**</u>
Centegra Hospital – McHenry, McHenry	16 minutes	84%
Presence Saint Joseph Hospital, Elgin	41 minutes	95%

*Travel Time was calculated using www.mapquest.com and adjusted by multiplying the travel time by 1.15, in accordance with 77 Ill. Adm. Code 1100.510(d)(2)

**As published in the most recent IDPH Hospital Profiles

The Comprehensive Physical Rehabilitation Service at Presence Saint Joseph Hospital in Elgin experienced 95% occupancy in CY15, based upon the most recent IDPH Hospital Profile. This occupancy level exceeds the IHFSRB's 85% occupancy target for the Comprehensive Physical Rehabilitation Category of Service.

This CON application proposes to relocate Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Service to Centegra Hospital – Woodstock, so the service will not exist at Centegra Hospital – McHenry once the proposed Comprehensive Physical Rehabilitation Category of Service is approved and becomes operational. Nevertheless,

Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Service justified all of its 22 authorized beds in CY15.

Although the occupancy of Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Service was 84% in CY15, which was slightly below the target occupancy of 85%, all of its 22 beds were justified.

$$6,716 \text{ patient days} \div 365 \text{ days} \div 85\% \text{ occupancy} = 22 \text{ beds}$$

This project will not have any impact on the occupancy of Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Unit since it proposes to relocate this category of service from Centegra Hospital – McHenry to Centegra Hospital – Woodstock, as a result of which Centegra Hospital's Comprehensive Physical Rehabilitation Category of Service will be discontinued.

This project will also not have any impact on the occupancy of Presence Saint Joseph Hospital's Comprehensive Physical Rehabilitation Unit since the patients served by Centegra Hospital – Woodstock's Comprehensive Physical Rehabilitation Service will be patients who currently receive care at Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Unit.

B. Supporting Documentation

The following documentation supports the existing restrictions to service access.

- i) Presence Saint Joseph Hospital and Centegra Hospital – McHenry are the only providers of the Comprehensive Physical Rehabilitation Category of Service that are located less than 45 minutes normal travel time from Centegra Hospital - Woodstock.

Documentation from www.mapquest.com that the travel time between Centegra Hospital - Woodstock and Presence Saint Joseph Hospital is 41 minutes normal travel time and that the travel time between Centegra Hospital - Woodstock and Centegra Hospital – McHenry is 16 minutes normal travel time is found in Appendix 2.

Utilization data for both hospitals is found on the most recently published IDPH Profiles.

- ii) Patient origin by zip code for the 479 patients admitted to Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Category of Service during CY16 can be found starting on Page 3 of this attachment.

This will be the patient origin of patients anticipated to be admitted to Centegra Hospital – Woodstock's Comprehensive Physical Rehabilitation Category of Service.

- iii) Mapquest time-travel studies are found in Appendix 2 of this CON application.
- iv) This item is not applicable to this project.

- v) This item is not applicable to this project.
- vi) This item is not applicable to this project.
- vii) Copies of the CY15 IDPH Hospital Profiles for Centegra Hospital – McHenry and Presence Saint Joseph Hospital can be found on Pages 26-27 of this attachment.

Criterion 1110.630(d) – Unnecessary Duplication/Maldistribution – Review Criterion

1) The applicant shall document that the project will not result in an unnecessary duplication.

- A. The list of zip codes that are located, in total or in part, within 30 minutes normal travel time of Centegra Hospital – Woodstock is below.

Zip Codes
60010 Barrington
60012 Crystal Lake
60013 Cary
60014 Crystal Lake
60021 Fox River Grove
60033 Harvard
60034 Hebron
60041 Ingleside
60050 McHenry
60051 McHenry
60071 Richmond
60072 Ringwood
60073 Round Lake
60081 Spring Grove
60084 Wauconda
60097 Wonder Lake
60098 Woodstock
60102 Algonquin
60110 Carpentersville
60118 Dundee
60123 Elgin
60124 Elgin
60135 Genoa
60136 Gilberts
60140 Hampshire
60142 Huntley
60152 Marengo
60156 Lake in the Hills
60180 Union
61008 Belvidere
61012 Capron
61038 Garden Prairie
61065 Poplar Grove
53128 Genoa City, WI
53147 Lake Geneva, WI
53184 Walworth, WI

- B. The total population of the zip codes located, in total or in part, within 30 minutes normal travel time of Centegra Hospital – Woodstock can also be found below. The State of Illinois does not provide population at the zip code level. According to the 2010 US Census and 2016 population projections from Esri, the estimated population of the zip codes listed below is 701,844.

Zip Codes	2016 Total Population
60010 Barrington	45,273
60012 Crystal Lake	11,071
60013 Cary	26,735
60014 Crystal Lake	48,690
60021 Fox River Grove	5,426
60033 Harvard	14,010
60034 Hebron	2,188
60041 Ingleside	9,023
60050 McHenry	32,305
60051 McHenry	24,750
60071 Richmond	3,841
60072 Ringwood	1,312
60073 Round Lake	61,290
60081 Spring Grove	9,719
60084 Wauconda	16,800
60097 Wonder Lake	11,076
60098 Woodstock	32,909
60102 Algonquin	32,549
60110 Carpentersville	39,576
60118 Dundee	16,813
60123 Elgin	48,899
60124 Elgin	22,566
60135 Genoa	7,899
60136 Gilberts	7,731
60140 Hampshire	18,184
60142 Huntley	28,252
60152 Marengo	12,875
60156 Lake in the Hills	29,193
60180 Union	1,563
61008 Belvidere	34,018
61012 Capron	2,295
61038 Garden Prairie	1,482
61065 Poplar Grove	11,856
IL Zip Codes Total*	672,169
53128 Genoa City, WI	8,947
53147 Lake Geneva, WI	16,457

53184 Walworth, WI	4,271
WI Zip Codes Total**	29,675
Zip Codes within 30 min of Centegra Hospital - Woodstock	701,844

Sources:

*Illinois zip codes based on Esri 2016 population estimates.

**Wisconsin zip codes based on US Census 2010 population.

- C. Centegra Hospital – McHenry in McHenry is the only facility providing the Comprehensive Physical Rehabilitation Category of Service that is located within 30 minutes travel time of Centegra Hospital – Woodstock.

It should be noted that this project proposes to relocate the Comprehensive Physical Rehabilitation Category of Service from Centegra Hospital – McHenry to Centegra Hospital – Woodstock and is being submitted simultaneously with the application for a COE to discontinue the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry.

As a result, this project will not result in a duplication of Comprehensive Physical Rehabilitation services within 30 minutes normal travel time of Centegra Hospital – Woodstock or in the planning area.

2) The applicant shall document that the project will not result in maldistribution of services.

This project will not result in a maldistribution of Comprehensive Physical Rehabilitation services in the planning area because it proposes to relocate the Comprehensive Physical Rehabilitation Category of Service from Centegra Hospital – McHenry to Centegra Hospital – Woodstock with the same number of authorized beds. There will be no impact to the existing bed inventory in HSA-8.

HSA-8 consists of Kane, Lake, and McHenry Counties. Centegra Hospital – McHenry is currently the only provider of the Comprehensive Physical Rehabilitation Category of Service in McHenry County and, after this service is relocated to Centegra Hospital – Woodstock, Centegra Hospital – Woodstock will be the only provider of this category of service in McHenry County.

There is only one other facility providing the Comprehensive Physical Rehabilitation Category of Service that is located within 45 minutes travel time, Presence Saint Joseph Hospital, which is located in Kane County in HSA-8. Its most recent occupancy for this service was 94.7% in CY15.

3) **The applicant shall document that, within 24 months after project completion, the proposed project:**

A) Will not lower the utilization of other area providers below the occupancy standards specified in 77 Ill. Adm. Code

This project will not impact the occupancy of other area providers.

This project proposes to relocate the Comprehensive Physical Rehabilitation Category of Service from Centegra Hospital – McHenry to Centegra Hospital – Woodstock. After the CON permit to establish the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – Woodstock and the service becomes operational, the Comprehensive Physical Rehabilitation Category of Service will be discontinued, in accordance with the application for a COE that is being submitted at the same time as this CON application.

The project is not intended to have an impact on any other area providers since the caseload of Centegra Hospital – McHenry will be relocated to Centegra Hospital – Woodstock.

There is only one other facility located within 45 minutes travel time that provides the Comprehensive Physical Rehabilitation Category of Service, Presence Saint Joseph Hospital in Elgin, and its most recent occupancy was 94.7%.

B) Will not lower, to a further extent, the utilization of other area hospitals that are currently (during the latest 12-month period) operating below the occupancy standards

This item is not applicable since the existing providers of the Comprehensive Physical Rehabilitation Service operate at the target occupancy.

Criterion 1110.630 Comprehensive Physical Rehabilitation Modernization

This review criterion is not applicable because the project proposes to establish the Comprehensive Physical Rehabilitation Category of Service, not to modernize an existing service.

Criterion 1110.630 Staffing

1) Availability – Review Criterion

This Certificate of Need application proposes to establish the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – Woodstock. An exemption application to discontinue this category of service at Centegra Hospital – McHenry is being submitted simultaneously.

Centegra Health System, the owner and operator of both Centegra Hospital – McHenry and Centegra Hospital – Woodstock considered the relevant clinical and professional staffing needs for the proposed project as well as licensure and Joint Commission staffing requirements.

The proposed project is a relocation of an existing 22-bed Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry to Centegra Hospital – Woodstock, a distance of 9.6 miles.

Once the new Comprehensive Physical Rehabilitation Service becomes operational, all of the existing clinical and professional staff serving Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Category of Service will be relocated to Centegra Hospital – Woodstock's Comprehensive Physical Rehabilitation Service.

When the Comprehensive Physical Rehabilitation Service at Centegra Hospital – Woodstock becomes operational, it will continue to meet all licensing requirements set forth by the State of Illinois as well as all staffing standards established by the Joint Commission.

The unit will be staffed by an interdisciplinary treatment team comprised of the members that are identified in the next section.

2) Personnel Qualifications

Personnel possessing proper credentials in the following categories are currently staff members of Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Category of Service and are available to staff the service once it is relocated to Centegra Hospital – Woodstock.

- A) Medical Director: Sandhya Meesala, MD is currently the Medical Director of the Comprehensive Physical Rehabilitation services at Centegra Hospital – McHenry, and she will assume the same role after this CON application is approved and the Comprehensive Physical Rehabilitation Category of Service is relocated to Centegra Hospital – Woodstock. Dr. Meesala's CV can be found starting on Page 28 of this attachment.
- B) Rehabilitation Nursing:
 - Daniel Webel, RN BS is currently the Clinical Nurse Manager over the Inpatient Rehabilitation Unit at Centegra Hospital – McHenry, and will assume the same role after this CON application is approved and the

Comprehensive Physical Rehabilitation Category of Service is relocated to Centegra Hospital – Woodstock.

- Within the Inpatient Rehabilitation Unit at Centegra Hospital – McHenry, there are 16.8 full time equivalent positions consisting of Registered Nurse Levels II, III, IV. These positions will be relocated to the Inpatient Comprehensive Physical Rehabilitation Unit at Centegra Hospital – Woodstock after this CON application is approved and the Comprehensive Physical Rehabilitation Category of Service is relocated to Centegra Hospital – Woodstock. The names of these associates are listed below.

Last Name	First Name
Amaguin	Cheryl
Meuter	Susan
Karr	Karen
Carlson	Laura
Rasmussen	Elizabeth
Murphy	Olga
Coliflores	Aurora
Salvador	Abigail
Daniels	Lynne
Zaragoza	Francisca
Cabilla	Sam
Albovias	Dovelyn
Wadzinski	Katherine
Lescher	Caroline
Chapman	Christina
Santamaria	Maria
Kalavinskaskas	Vida
Jojo	Lissimol
McCarthy	Kristin
Guevarra	Jocelyn

C) Allied Health – The following allied health specialists shall be available on staff.

- Physical Therapist: The Physical Therapists who currently provide care within the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry will transition to Centegra Hospital – Woodstock after this CON application is approved and the Comprehensive Physical Rehabilitation Category of Service is relocated to Centegra Hospital – Woodstock. The names of these associates are listed below.

Last Name	First Name
Ricafort	May
Adigue	Karen Joy
Riley	Allison
Sieber	Sandra

Pagcaliwagan	Merriam
Finley	Sarah
Friebus	Stacy
Tamigneau	Josiane
Butts	Laurie
Rogge	Allison
Dado	Reynaldo
Bottalla	Janel
Connery	Staci
Elias	Lisa
Manzo	Marylou
Ruemelin	Melissa
Carey	Timothy
Gibson	Mary
Ragan	Amanda
Sheth	Bijal
Kruse	Sarah
Andreoni	Kathleen
Humphrey	Elizabeth
Pedersen	Christine
Meier	Michael
Leaf	Kristen

- ii. Occupational Therapist: The Occupational Therapists who currently provide care within the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry will transition to Centegra Hospital – Woodstock after this CON application is approved and the Comprehensive Physical Rehabilitation Category of Service is relocated to Centegra Hospital – Woodstock. The names of these associates are listed below.

Last Name	First Name
Cornelious	Bennett
Henrichsen	Jill
Loching	Jocelyn
Waddell	Debra
Martinez-Wells	Johanna
Kolton	Patricia
Bartkiewicz	Teresa
Kubacik	Jennifer
Wintersdorf	Teresa
Leonard	Dana
Strojny	Stefanie
Steffens	Colleen
Braun	Kathleen
Michelsen	Shannon
Vasquez	Jenny
Mantei	Kelley

Denk	Candice
Miller	Katelyn

- iii. Social Worker: Upon approval of this application, a Social Worker who currently is employed with and provides care at Centegra Hospital – McHenry and who has a Master's of Social Work and meets the State of Illinois requirements for Clinical Social Work and Social Work Practice will be identified to relocate to Centegra Hospital – Woodstock to care for patients within the Comprehensive Rehabilitation Category of Service. This individual will transition from Centegra Hospital – McHenry to Centegra Hospital – Woodstock once the Comprehensive Physical Rehabilitation Category of Service is discontinued at Centegra Hospital – McHenry.

D) Other Specialties – The following personnel will be available on staff or on a consulting basis.

- i. Speech Pathologist: The Speech Pathologists who currently provide care within the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry will transition to Centegra Hospital – Woodstock after this CON application is approved and the Comprehensive Physical Rehabilitation Category of Service is relocated to Centegra Hospital – Woodstock. The names of these associates are listed below.

Last Name	First Name
Ried	Christine
Van Dycke	Nicole
Pondel	Megan
Maplethorpe	Amy
Glab	Rachel
Darragh	Meghan
Duffy	Kristine
Estrada	Teresa
Franklin	Lisa
Braband	Ashley
Rasmussen	Bethany
Simonaitis	Jennifer
Mears	Patricia

- ii. Psychologist: The Psychologist who currently provides care at Centegra Hospital – Woodstock will assume responsibility to care for the patients within the Comprehensive Physical Rehabilitation Category of Service after this CON application is approved and the Comprehensive Physical Rehabilitation Category of Service is relocated to Centegra Hospital – Woodstock. The name of this associate is listed below.

Last Name	First Name
Peace	Megan

- iii. Vocational Counselor or Specialist: The Specialist (Recreational Therapist) who currently provides care within the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry will transition to Centegra Hospital – Woodstock after this CON application is approved and the Comprehensive Physical Rehabilitation Category of Service is relocated to Centegra Hospital – Woodstock. The name of this associate is listed below.

Last Name	First Name
Feuillan	Katherine

- iv. Dietitian: The Dietitian who currently provides care at Centegra Hospital – Woodstock will assume responsibility to care for the patients within the Comprehensive Physical Rehabilitation Category of Service after this CON application is approved and the Comprehensive Physical Rehabilitation Category of Service is relocated to Centegra Hospital – Woodstock. The name of this associate is listed below.

Last Name	First Name
VanBogaert	Elyse

- v. Pharmacist: The Pharmacists who currently provide care at Centegra Hospital – Woodstock will assume responsibility to care for the patients within the Comprehensive Physical Rehabilitation Category of Service after this CON application is approved and the Comprehensive Physical Rehabilitation Category of Service is relocated to Centegra Hospital – Woodstock. The names of these associates are listed below.

Last Name	First Name
Tinkoff	Cynthia
Patel	Nidhi
Goracio	Antonio
Vanduyne	Randall
Prusha	Maria
Brady	Alphonsus
Kostecki	Grazyna

- vi. Audiologist: Within the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry, and on-staff Otolaryngologist would first be consulted for audiology services.
- vii. Prosthetist and Orthotist: Within the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry, Prosthetist and Orthotist services are provided through an attending Physician order. Centegra Health System typically utilizes The Hanger Clinic based out of Chicago, Illinois. This process will continue after this CON application is approved and the Comprehensive Physical Rehabilitation Category of Service is relocated to Centegra Hospital – Woodstock.

Site Manager, Rehabilitation & Sports Medicine: Kristine Germain (Tekampe), MS is currently the Site Manager for Rehabilitation & Sports Medicine at Centegra Hospital – McHenry, and will assume the same role within Centegra Hospital – Woodstock's Comprehensive Physical Rehabilitation Category of Service after this CON application is approved and the Comprehensive Physical Rehabilitation Category of Service is relocated to Centegra Hospital – Woodstock.

Criterion 1110.630(g) Performance Requirements – Bed Capacity Minimums

This project proposes to establish a Comprehensive Physical Rehabilitation Unit with an authorized bed capacity of 22 beds. This unit meets the minimum hospital unit size of 16 beds for a Comprehensive Physical Rehabilitation Unit.

Criterion 1110.630(h) Assurances

A signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 1100 for each category of service involved in the proposal can be found on Page 31 of this attachment.

Ownership, Management and General Information				Patients by Race		Patients by Ethnicity	
ADMINISTRATOR NAME:	Michael S. Eesley			White	89.7%	Hispanic or Latino:	7.7%
ADMINISTRATOR PHONE	8157885823			Black	1.0%	Not Hispanic or Latino:	92.2%
OWNERSHIP:	Northern Illinois Medical Center d/b/a Centegra Ho			American Indian	0.2%	Unknown:	0.1%
OPERATOR:	Northern Illinois Medical Center d/b/a Centegra Ho			Asian	0.8%		
MANAGEMENT:	Not for Profit Corporation (Not Church-R			Hawaiian/ Pacific	0.0%	IDPH Number:	3889
CERTIFICATION:	(Not Answered)			Unknown	8.2%	HPA	A-10
FACILITY DESIGNATION:	General Hospital					HSA	8
ADDRESS	4201 Medical Center Drive	CITY: McHenry	COUNTY: McHenry County				

Facility Utilization Data by Category of Service										
Clinical Service	Authorized CON Beds 12/31/2016	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy Rate %	Staffed Bed Occupancy Rate %
Medical/Surgical	116	116	105	6,468	23,649	2,777	4.1	72.4	62.4	62.4
0-14 Years				77	160					
15-44 Years				723	2,252					
45-64 Years				2,038	7,151					
65-74 Years				1,585	5,701					
75 Years +				2,045	8,385					
Pediatric	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Intensive Care	18	18	17	1,287	4,141	23	3.2	11.4	63.4	63.4
Direct Admission				966	2,986					
Transfers				321	1,155					
Obstetric/Gynecology	23	23	19	1,693	3,814	59	2.3	10.6	46.1	46.1
Maternity				1,684	3,799					
Clean Gynecology				9	15					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Swing Beds			0	0	0		0.0	0.0		
Acute Mental Illness	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Rehabilitation	22	22	22	507	6,716	0	13.2	18.4	83.6	83.6
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	23					1447				
Facility Utilization	179			9,634	38,320	4,306	4.4	116.8	65.2	

(Includes ICU Direct Admissions Only)

Inpatients and Outpatients Served by Payer Source							
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals
Inpatients	49.6%	3.7%	13.0%	30.8%	0.8%	2.1%	9,634
	4780	357	1253	2966	78	200	
Outpatients	31.4%	3.6%	12.8%	48.9%	1.7%	1.5%	128,623
	40416	4598	16515	62901	2247	1946	

Financial Year Reported:	7/1/2014 to	6/30/2015	Inpatient and Outpatient Net Revenue by Payer Source				Charity Care Expense	Total Charity Care Expense
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals		
Inpatient Revenue (\$)	45.3%	8.5%	4.1%	35.2%	6.9%	100.0%		3,280,820
	48,438,738	9,043,877	4,386,801	37,598,184	7,410,214	106,877,814	1,798,111	
Outpatient Revenue (\$)	18.1%	3.3%	4.2%	67.9%	6.5%	100.0%		Total Charity Care as % of Net Revenue
	29,191,232	5,269,774	6,740,517	109,624,690	10,537,517	161,363,730	1,482,709	1.2%

Birthing Data			Newborn Nursery Utilization			Organ Transplantation	
Number of Total Births:	1,654		Level I	Level II	Level II+	Kidney:	0
Number of Live Births:	1,648		Beds	25	6	Heart:	0
Birthing Rooms:	0		Patient Days	2,956	942	Lung:	0
Labor Rooms:	0		Total Newborn Patient Days		3,898	Heart/Lung:	0
Delivery Rooms:	0					Pancreas:	0
Labor-Delivery-Recovery Rooms:	0					Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	6		Inpatient Studies		290,785	Total:	0
C-Section Rooms:	2		Outpatient Studies		237,726		
CSections Performed:	439		Studies Performed Under Contract		12,511		

<u>Ownership, Management and General Information</u>			<u>Patients by Race</u>		<u>Patients by Ethnicity</u>	
ADMINISTRATOR NAME:	Michael L. Brown		White	78.7%	Hispanic or Latino:	0.0%
ADMINISTRATOR PHONE	847-888-5474		Black	5.5%	Not Hispanic or Latino:	78.7%
OWNERSHIP:	Presence Health Network		American Indian	0.2%	Unknown:	21.3%
OPERATOR:	Presence Health Network		Asian	1.7%		
MANAGEMENT:	Church-Related		Hawaiian/ Pacific	0.0%	IDPH Number:	4887
CERTIFICATION:	(Not Answered)		Unknown	13.9%	HPA	A-11
FACILITY DESIGNATION:	General Hospital				HSA	8
ADDRESS	77 North Airline Street	CITY: Elgin	COUNTY:	Kane County		

<u>Facility Utilization Data by Category of Service</u>										
<u>Clinical Service</u>	Authorized CON Beds 12/31/2015	Peak Beds Setup and Staffed	Peak Census	Admissions	Inpatient Days	Observation Days	Average Length of Stay	Average Daily Census	CON Occupancy Rate %	Staffed Bed Occupancy Rate %
Medical/Surgical	99	99	74	3,957	17,829	3,006	5.3	57.1	57.7	
0-14 Years				8	16					
15-44 Years				391	1,514					
45-64 Years				1,177	4,999					
65-74 Years				967	4,426					
75 Years +				1,414	6,874					
Pediatric	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Intensive Care	15	15	13	845	2,531	7	3.0	7.0	46.4	46.4
Direct Admission				655	1,962					
Transfers				190	569					
Obstetric/Gynecology	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Maternity				0	0					
Clean Gynecology				0	0					
Neonatal	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Long Term Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Swing Beds			0	0	0		0.0	0.0		
Acute Mental Illness	30	30	26	1,172	6,453	0	5.5	17.7	58.9	58.9
Rehabilitation	40	40	40	1,251	13,821	0	11.0	37.9	94.7	94.7
Long-Term Acute Care	0	0	0	0	0	0	0.0	0.0	0.0	0.0
Dedicated Observation	0					0				
Facility Utilization	184			7,035	40,634	3,013	6.2	119.6	65.0	

(Includes ICU Direct Admissions Only)

<u>Inpatients and Outpatients Served by Payer Source</u>								
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Charity Care	Totals	
Inpatients	54.1%	13.0%	0.0%	22.3%	0.9%	9.7%		
	3803	915	0	1572	62	683	7,035	
Outpatients	58.8%	14.1%	0.0%	24.3%	1.0%	1.8%		
	93135	22401	0	38498	1528	2857	158,419	

<u>Financial Year Reported:</u>	11/2015 to	12/31/2015	<u>Inpatient and Outpatient Net Revenue by Payer Source</u>				Charity Care Expense	Total Charity Care Expense
	Medicare	Medicaid	Other Public	Private Insurance	Private Pay	Totals		
Inpatient Revenue (\$)	67.8%	16.7%	0.0%	24.5%	-9.0%	100.0%		4,181,813
	47,064,664	11,609,548	0	17,000,293	-6,252,705	69,421,800	1,659,661	
Outpatient Revenue (\$)	38.3%	30.3%	0.0%	38.9%	-7.4%	100.0%		Total Charity Care as % of Net Revenue
	24,184,291	19,114,352	0	24,552,140	-4,674,617	63,176,166	2,522,152	3.2%

<u>Birth Data</u>			<u>Newborn Nursery Utilization</u>			<u>Organ Transplantation</u>	
Number of Total Births:	0		Level I	Level II	Level II+	Kidney:	0
Number of Live Births:	0	Beds	0	0	0	Heart:	0
Birthing Rooms:	0	Patient Days	0	0	0	Lung:	0
Labor Rooms:	0	Total Newborn Patient Days			0	Heart/Lung:	0
Delivery Rooms:	0					Pancreas:	0
Labor-Delivery-Recovery Rooms:	0					Liver:	0
Labor-Delivery-Recovery-Postpartum Rooms:	0					Total:	0
C-Section Rooms:	0	Inpatient Studies			166,555		
CSections Performed:	0	Outpatient Studies			126,161		
		Studies Performed Under Contract			1,756		

SANDHYA R. MEESALA, M.D.

2 Falcon Lakes Dr.
South Barrington
Illinois 60010.
Cell Ph: (847)-852-6478
FAX: 847-382-1646
Email: sranimeesala@yahoo.com

OBJECTIVE: Staff Position with Sub acute Rehab facility.

EDUCATION

- Medical School: Osmania University, Gandhi Medical College, Hyderabad, India. 1983-1989
- Undergraduate Education: (Premed) St. Joseph's Junior College, Hyderabad, India. 1980-1982

POST GRADUATE TRAINING

Intern:

- Internship Internal Medicine: South Central Railway Headquarters Hospital, Secunderabad, India. 1990-1991
- General Internship: Rotatory Internship 1989-1990
Disciplines of General Medicine, General Surgery, OB/GYN, Emergency Medicine and Pediatrics

Resident:

- Physical Medicine and Rehabilitation Residency Program 1999-2003
Metro Health Medical Center/Case Western Reserve University/ Cleveland Clinic Foundation, Cleveland, Ohio.

Additional Training Facilities:

- Cleveland Clinic Center for Children's Rehabilitation.
- Veteran's Administration Hospital, Cleveland, Ohio.
- Elective rotation in Neuroradiology.
- Spasticity Clinics in Cleveland Clinic Foundation and Akron General Hospital
- Chronic Pain Management Program in Cleveland Clinic Foundation.

EXPERIENCE

- Centegra Health System, McHenry IL 08/10 thru present
ATTENDING PHYSIATRIST
Provisional Medical Staff 08/10-07/12
Active Medical Staff 07/12-present
REHAB MEDICAL DIRECTOR: at Centegra Hospital-McHenry 04/13-present
- Rehabilitation Institute of Chicago at Alexian Brothers Medical Center, Alexian 2004 thru 05/08
Rehabilitation Hospital, Elk Grove Village, IL.
ATTENDING PHYSIATRIST: - Experience in general Inpatient,
Outpatient and Day Rehabilitation
-Consultations at St. Alexius Medical Center &
-Privileges at NorthWest Community Hospital,
Advocate Good Shepherd Hospital
REHAB MEDICAL DIRECTOR: at Lexington Streamwood
-prior experience in sub acute setting in

- Lexington Schaumburg, Lexington Streamwood
and Manor Care Rehab Health facility,
Elk Grove Village
-focusing on rehabilitation needs of medically
-Complex subacute patients including
rheumatological, orthopedic, neurological, vascular
and neuromuscular disorders, cancer related
disability.
-leading inter-disciplinary team as physician leader
- University of Illinois at Chicago, Department of Sports Medicine, Physical
Medicine and Rehabilitation 1998-1999
Observership (part of residency requirement)
- Diamond Headache Clinic, Chicago, IL. 1997-1998
Observership
- Wellness Institute, Chicago, IL. 1996-1997
Coordinator of Patient Care
- Columbus Cabrini Hospital, Chicago, IL- Department of Neonatology Research 1995-1996
Assistant, Neonatology Research Program
"Screening of hearing tests in Newborn".
- General Practitioner – Secunderabad, India. 1991-1994

PROFESSIONAL MEMBERSHIPS

- Association of Academic Physiatrists
- American Board of Medical Specialties
- FELLOW, American Academy of Physical Medicine and Rehabilitation
- DIPLOMATE, American Board of Physical Medicine and Rehabilitation
- Cancer SIG Committee
- Hyderabad State Medical Council
-

HONORS/AWARDS

- Grade "A" in ENT (Ear, Nose and Throat)
- Class Rank – top 15% in M.B.B.S.
-

CERTIFICATION & LICENSURE

- Board Certified in Physical Medicine and Rehabilitation
- Illinois State Medical License
- BLS, ACLS
- Lower Limb Prosthetics and Orthotics Course Certification
- Spasticity Management

PRESENTATIONS

- Rehabilitation aspects of car in Guillain Barre Syndrome – GBS/CIDP Foundation 2007
International
- Falls Prevention at Alexian Village, Elk Grove Village 2007
- Fibromyalgia 2006
- Deconditioning at Elk Grove Park District, IL 2006
- Cancer Rehabilitation at Alexian Rehabilitation Hospital 2005
- Functional Outcomes in Cancer Rehabilitation at ABMC 2005
- Dysphagia as a delayed complication of head and neck cancer 2003

- (presented as Senior topic presentation – Cleveland Clinic Foundation)
- Functional Outcomes of Cancer Rehabilitation 2003
- (presented as Senior topic presentation – MetroHealth Medical Center)
- Meningioma, Wallenberg's syndrome- Case reports, Neuroradiology Grand Rounds 2002
- Long Thoracic Neuropathy – EMG topic presentation 2002
- Burn Rehabilitation (Pediatric Rehab Grand Rounds) 2001
- Multiple Sclerosis- Psychosocial aspect- Rehab Psych topic presentation 2001
- Deconditioning 2000, 2001

RESEARCH/PUBLICATIONS

- "Dysphagia as a markedly delayed complication of Head and Neck Cancer" 03/03
Poster abstract presented at AAP Conference
- Published in American Journal of Physical Medicine and Rehabilitation. Spring Issue
- Differential Impact of Lower Limb Strength and Coordination On Gait Swing Phase Restoration Following Seven Years of Persistent Gait Deficits: An Interventional case study 2004
Poster Presentation at AAPMR conference in Phoenix, AZ
- Research regarding correction of gait deficits in chronic stroke patients 2003
With combined FNS-IM and BWSTT at the Louis Stokes Veteran Affairs Medical Center, Cleveland, Ohio

PROCEDURAL SKILLS

- Electrodiagnosis
- Trigger point injections

EVALUATION EXPERIENCE

- Disability evaluations for the Public Employee Retirement System of Ohio
- Disability evaluations for the Bureau of Disability
Determination of the Ohio Rehabilitation Services
- Independent Medical Examinations
-

COMMUNITY INVOLVEMENT

- Camp Physician, Muscular Dystrophy Camp 2002, 2003
- Camp Physician, 22nd National Veterans Wheelchair Games 2002
- Press Conference Regarding "Traumatic Brain Injury" January, 2007
Published in DAILY HERALD
-

PERSONAL: U.S. Citizen

August 14, 2017

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson
Second Floor
Springfield, Illinois 62761

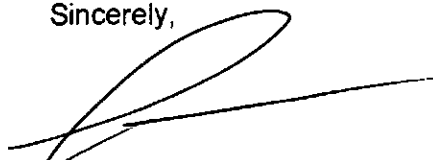
Dear Ms. Avery:

I am an applicant representative of the co-applicants for this project (i.e., Memorial Medical Center – Woodstock d/b/a Centegra Hospital – Woodstock, Centegra Health System, Northern Illinois Medical Center d/b/a Centegra Hospital – Huntley and Northern Illinois Medical Center d/b/a Centegra Hospital – McHenry) who has signed the CON application that includes the establishment of the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – Woodstock.

In accordance with 77 Ill. Adm. Code 1110.630(h), I hereby attest to the understanding of the co-applicants for this project that, by the second year of operation after this project is completed, Centegra Hospital – Woodstock will achieve and maintain the occupancy standards specified in 77 Ill. Adm. Code 1100 for the Comprehensive Physical Rehabilitation Category of Service.

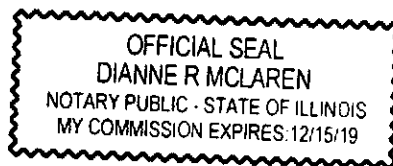
The occupancy standard for a hospital's Comprehensive Physical Rehabilitation Category of Service is 85% occupancy of the authorized beds on an annual basis (77 Ill. Adm. Code 1100.550(c)).

Sincerely,



Michael S. Eesley
Chief Executive Officer
Centegra Health System

SUBSCRIBED and SWORN to before me
this 14th day of August, 2017.


Notary Public

VI.

Service Specific Review Criteria – Criterion 1110.3030 – Clinical Service Areas Other than Categories of Service

c. Need Determination – Establishment

This project proposes space for combined Rehabilitation Therapies: Physical Therapy, Occupational Therapy, and Speech Therapy. The space will be combined for all therapies to maximize flexibility and reduce the amount of space that would be needed if each therapy were to have its own dedicated space.

The proposed therapy space will be used to provide therapy for the inpatients in the Comprehensive Physical Rehabilitation Category of Service, and it will be located adjacent to the Comprehensive Physical Rehabilitation Nursing Unit. Dedicated space is needed for Rehabilitation Therapies for these patients since they are required to have three hours of therapy per day, at least five times per week.

Physical therapists focus on therapeutic exercises for strengthening muscles, posture control and mobility, as well as teaching patients how to use assistive devices such as walkers, supportive braces, and prosthetics.

Occupational therapists focus on therapeutic exercises, the use of assistive devices, and the performance of activities of daily living. The Rehabilitation Therapy area will have a kitchen/dining room, bedroom, and bathroom that will be used to retrain patients so they may return to their homes and perform daily activities.

Speech therapists evaluate and treat patients with various diagnoses that may result in speech/language/cognitive and swallowing deficits.

Nutritional, vocational and/or psychiatric consultation, as well as social services will be provided to patients in this area and in their patient rooms, as needed and appropriate.

1) Service to the Planning Area Residents

The primary purpose of the proposed project is “to provide necessary health care to the residents of Health Service Area 8 (HSA-8),” the planning area in which Centegra Hospital – Woodstock is located.

As noted earlier in this application, this project is a relocation of the Comprehensive Physical Rehabilitation Category of Service from Centegra Hospital – McHenry to Centegra Hospital – Woodstock. Both hospitals are located in the same planning area for this category of service (HSA-8) and share a service area. The primary purpose of this project will be to serve the same patients as have been served at Centegra Hospital – McHenry.

Patient origin data for Calendar Year 2016, as shown in Attachment 12, indicates that 97.5% of the patients receiving Comprehensive Physical Rehabilitation Services at

Centegra Hospital - McHenry resided in zip codes that are located in HSA-8, either in whole or in part, the majority of which are located in McHenry County.

2) Service Demand

A) Referrals from Inpatient Base

This project will provide therapeutic services to inpatients in Centegra Hospital – Woodstock's Comprehensive Physical Rehabilitation Unit.

As described elsewhere in this application, this project proposes to relocate the Comprehensive Physical Rehabilitation Category of Service from Centegra Hospital – McHenry to Centegra Hospital – Woodstock.

The historical volume for inpatient utilization of the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry, as reported on the 2016 Illinois Department of Public Health's Annual Hospital Questionnaires, can be found in the chart below.

	<u>CY15</u>	<u>CY16</u>
Cases	507	479
Total Patient Days	6,716	6,556

These patients require rehabilitation therapies that will be provided in the Rehabilitation Therapy Area.

As noted above, all inpatients in this category of service require three hours of therapy per day, at least five days per week.

Utilization for Rehabilitation Therapies for inpatients in Centegra Hospital – McHenry's Comprehensive Physical Rehabilitation Nursing Unit during the past two years are reported below.

<u>Daily Patient Visits</u>	<u>CY15</u>	<u>CY16</u>
Physical Therapy	15,330	14,807
Occupational Therapy	10,517	10,169
Speech Therapy	4,921	5,214

In addition, consultations occurred for the following modalities for which utilization is not available: Vocational Consultations, Nutritional Consultations, Psychological Consultations and Social Services.

As shown in Attachment 15, inpatient utilization of the Comprehensive Physical Rehabilitation Category of Service is projected to increase in future years due to projected population increases in McHenry County. As a result, there will be increased utilization of Rehabilitation Therapies.

The Illinois Department of Public Health's Center for Health Statistics, Office of Health Informatics, estimated the 2015 McHenry County population at 326,691

and projected that the county's 2025 population will be 363,311. This is 11.2% growth for the 10 years or a compounded annual growth rate of 1.07%.

This projected population increase will result in the Comprehensive Physical Rehabilitation Nursing Unit's inpatients experiencing the number of daily patient visits that are projected below during the first two full fiscal years of operation at Centegra Hospital – Woodstock.

<u>Daily Patient Visits</u>	<u>FY20*</u>	<u>FY21</u>
Physical Therapy	15,411	15,533
Occupational Therapy	10,583	10,668
Speech Therapy	5,427	5,470

*FY20 is a leap year with 366 days, all other years have 365 days

3) The applicant shall document that, within 24 months after project completion, the proposed project:

- A) Will not lower the utilization of other area providers below the occupancy standards specified in 77 Ill. Adm. Code**

This project will not impact the occupancy of other area providers.

This project proposes to relocate the Comprehensive Physical Rehabilitation Category of Service and its associated activity in Rehabilitation Therapies from Centegra Hospital – McHenry to Centegra Hospital – Woodstock. After the CON permit to establish the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – Woodstock is granted and the service becomes operational, the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital - McHenry will be discontinued, in accordance with the application for a COE that is being submitted at the same time as this CON application.

The project is not intended to have an impact on any other area providers since the caseload of Centegra Hospital – McHenry will be relocated to Centegra Hospital – Woodstock.

There is only one other facility located within 45 minutes travel time that provides the Comprehensive Physical Rehabilitation Category of Service, Presence Saint Joseph Hospital in Elgin, and its most recent inpatient occupancy was 94.7%.

Because the services will only be provided to the patients in the Comprehensive Physical Rehabilitation Unit at Centegra Hospital – Woodstock, which is a relocation of the service from Centegra Hospital – McHenry, there will be no impact to other area providers.

These Clinical Service Areas do not have any utilization standards in the Illinois CON Guidelines (77 Ill. Adm. Code 1110.APPENDIX B).

- B) Will not lower, to a further extent, the utilization of other area hospitals that are currently (during the latest 12-month period) operating below the occupancy standards**

This item is not applicable since the only existing provider of the Comprehensive Physical Rehabilitation Service located within 45 minutes travel time of Centegra Hospital – Woodstock operates its inpatient unit at the target occupancy, and there are no utilization standards for the Clinical Service Areas Other than Categories of Service that are going to be provided. The services provided in the Clinical Service Areas Other Than Categories of Service are going to be provided solely to the inpatients in the Comprehensive Physical Rehabilitation Unit.

4) Utilization

As noted earlier in this Attachment, the following Clinical Service Areas are part of this project.

Physical Therapy
Occupational Therapy
Speech Therapy

This utilization of these Clinical Service Areas during the first two full fiscal years of operation at Centegra Hospital – Woodstock are shown below.

<u>Daily Patient Visits</u>	<u>FY20*</u>	<u>FY21</u>
Physical Therapy	15,411	15,533
Occupational Therapy	10,583	10,668
Speech Therapy	5,427	5,470

*FY20 is a leap year with 366 days, all other years have 365 days

d. Service Modernization

This section is not applicable because the project proposes to establish the Rehabilitation Therapies, not to modernize an existing service.

X.

1120.120 Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: Indicate the dollar amount to be provided from the following sources:

\$3,964,676	a) <u>Cash and Securities</u> Pages from the FY16 Audited Financials start on page 2 of this attachment showing that the amount of cash is available for this project. FY16 Cash and Securities on hand totaled \$226,405,000 (excluding the Bond indenture funds and the charitable trust funds) compared to a total project cost of \$3,964,676.
\$0	b) Pledges This section does not apply because the applicant is using cash to fund the project.
\$0	c) Gifts and Bequests This section does not apply because the applicant is using cash to fund the project.
\$0	d) Debt This section does not apply because the applicant is using cash to fund the project.
\$0	e) Government Appropriations This section does not apply because the applicant is using cash to fund the project.
\$0	f) Grants This section does not apply because the applicant is using cash to fund the project.
\$0	g) All other Funds and Sources This section does not apply because the applicant is using cash to fund the project.
\$3,964,676	TOTAL FUNDS AVAILABLE

CENTEGRA HEALTH SYSTEM AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2016 and 2015

(Dollars amounts in thousands)

During 2016 and 2015, the Health System contributed volunteer hours approximating \$461 and \$425, respectively, toward the common purpose of servicing the healthcare of the community. These amounts are appropriately not reflected within the consolidated financial statements.

(6) Investments

The Health System reports investments in equity securities with readily determinable fair values and all investments in debt securities at fair value. Fair value is determined primarily on the basis of quoted market prices or other observable market inputs. A summary of the composition of the Health System's investment portfolio at June 30, 2016 and 2015 is as follows:

	2016	2015
Certificates of deposit	\$ 1,009	1,020
Money market funds	61,007	88,617
Mutual bond funds	52,798	51,508
Mutual equity funds	82,892	83,495
Interest in investments of charitable remainder trusts	2,073	2,259
	<u>\$ 199,779</u>	<u>226,899</u>

Investments are reported in the accompanying consolidated statements of financial position at June 30, 2016 and 2015 as follows:

	2016	2015
Short-term investments	\$ 57,893	13,062
Assets limited as to use:		
Internally designated for capital improvements	32,500	42,731
Under bond indenture agreements – held by trustee	2,220	47,397
Interest in investments of charitable remainder trusts	2,073	2,259
Long-term investments	105,093	121,450
	<u>\$ 199,779</u>	<u>226,899</u>

$$\begin{array}{rcl}
 199,779 + 30,919 & = & 230,698 \\
 (2,220 + 2,073) & = & (4,293) \\
 \hline
 & & 226,405
 \end{array}$$

CENTEGRA HEALTH SYSTEM AND AFFILIATES

Consolidated Statements of Financial Position

June 30, 2016 and 2015

(In thousands)

Assets	2016	2015
Current assets:		
Cash and cash equivalents	\$ 30,919	29,785
Short-term investments	57,893	13,062
Patient accounts receivable, net of allowance for uncollectible accounts of \$31,280 in 2016 and \$29,817 in 2015	79,152	68,076
Other receivables	7,032	5,008
Inventories	8,192	8,324
Prepaid expenses	7,213	5,661
Total current assets	190,401	129,916
Assets limited or restricted as to use:		
Under bond indenture agreements – held by trustee	2,220	47,397
Interest in investments of charitable remainder trusts	2,073	2,259
Internally designated for capital improvements	32,500	42,731
Pledges receivable, net	3,130	3,367
	39,923	95,754
Land, buildings, and equipment, net	377,610	313,958
Long-term investments	105,093	121,450
Deferred finance charges, net	2,177	2,307
Investment in joint ventures and other assets	2,081	1,721
Goodwill	21,333	8,192
Intangible assets, net	5,552	3,043
Estimated insurance recoveries	6,241	4,825
Total assets	\$ 750,411	681,166

See accompanying notes to consolidated financial statements.

IX.

1120.130 Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

This section does not apply because all of the projects capital expenditures will be completely funded through internal sources.

IX.

Financial Viability Ratios

This section does not apply because all of the projects capital expenditures will be completely funded through internal sources. Therefore the applicant does not need to submit financial viability ratios.

X.

1120.140 Economic Feasibility

A. Reasonableness of Financing Arrangements

The notarized statement can be found on page 2 of this Attachment.

B. Conditions of Debt Financing

This section is not applicable because the project does not involve debt financing.

C. Reasonableness of Project and Related Costs

The required chart can be found on Page 25 of this Application.

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

The projected direct annual operating costs for FY20 (first fiscal year at target utilization) for Comprehensive Physical Rehabilitation and the hospital are as follows:

Comprehensive Physical Rehabilitation

Operating expense per equivalent patient day for FY20	\$421
---	-------

Centegra Hospital – Woodstock

Operating expense per equivalent patient day for FY20	\$983
---	-------

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

The projected annual capital costs for FY18 (first fiscal year at target utilization) for Comprehensive Physical Rehabilitation and the hospital are as follows:

Comprehensive Physical Rehabilitation

Capital costs per equivalent patient day for FY20	\$39
---	------

Centegra Hospital – Woodstock

Capital costs per equivalent patient day for FY20	\$212
---	-------

August 14, 2017

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson St., Second Floor
Springfield, Illinois 62761

Dear Ms. Avery:

The undersigned, as authorized representatives of Centegra Hospital - Woodstock, Centegra Hospital - McHenry, Centegra Hospital - Huntley and Centegra Health System, in accordance with 77 Ill. Adm. Code 1120.140.a)1 and the requirements of Section X.A. of the CON Application for Permit, hereby attests to the following:

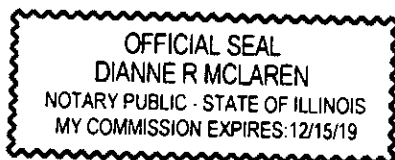
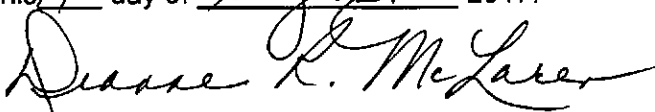
That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation.

Sincerely,



Michael S. Eesley
Chief Executive Officer
Centegra Health System

SUBSCRIBED and SWORN to before me
this 14th day of August 2017.



X.

Safety Net Impact Statement

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.

This project to establish the 22-bed Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital - Woodstock will have no negative impact on essential safety net services in the community or in the planning area because this service will be a relocation of the existing 22-bed Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital - McHenry, which is in the same planning area (Health Service Area 8, HSA-8). The project will improve safety net services in the area by providing a more modern and efficient Comprehensive Physical Rehabilitation service to the community.

Health Safety Net Services have been defined as services provided to patients who are low-income and otherwise vulnerable, including those uninsured and covered by Medicaid. (Agency for Healthcare Research and Quality, Public Health Service, U.S. Department of Health and Human Services, "The Safety Net Monitoring Initiative," AHRQ Pub. No. 03-P011, August, 2003).

This application for a Certificate of Need (CON) permit is being submitted simultaneously with an application for a Certificate of Exemption (COE) to discontinue the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital - McHenry, which also has an authorized bed capacity of 22 beds.

Both Centegra Hospital - Woodstock and Centegra Hospital - McHenry are owned and operated by Centegra Health System and are located in the same planning area for the Comprehensive Physical Rehabilitation Category of Service (HSA-8), the same geographic service area for this category of service (McHenry County), and the same planning area for acute care services (Planning Area A-10, McHenry County).

The hospitals are located 9.6 miles apart, and the travel time between them is approximately 16 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)).

These hospitals, as well as Centegra Hospital - Huntley, are owned and operated by Centegra Health System. These three hospitals have a unified medical staff, which permits members of their medical staffs to admit and treat patients at each of the three hospitals. These hospitals utilize a common medical record, which permits medical professionals to access and utilize patients' medical records at any of the hospitals.

After the Comprehensive Physical Rehabilitation Category of Service is relocated to Centegra Hospital - Woodstock, it will serve the same patient population and continue to provide the same Health Safety Net Services within Health Service Area (HSA-8) as those currently provided by Centegra Hospital - McHenry for this category of service.

X.

Safety Net Impact Statement

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.

This project to establish the 22-bed Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital - Woodstock will have no negative impact on essential safety net services in the community or in the planning area because this service will be a relocation of the existing 22-bed Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital - McHenry, which is in the same planning area (Health Service Area 8, HSA-8). The project will improve safety net services in the area by providing a more modern and efficient Comprehensive Physical Rehabilitation service to the community.

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This application for a Certificate of Need (CON) permit is being submitted simultaneously with an application for a Certificate of Exemption (COE) to discontinue the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital - McHenry, which also has an authorized bed capacity of 22 beds.

Both Centegra Hospital - Woodstock and Centegra Hospital - McHenry are owned and operated by Centegra Health System and are located in the same planning area for the Comprehensive Physical Rehabilitation Category of Service (HSA-8), the same geographic service area for this category of service (McHenry County), and the same planning area for acute care services (Planning Area A-10, McHenry County).

The hospitals are located 9.6 miles apart, and the travel time between them is approximately 16 minutes when adjusted for normal travel times in accordance with the CON Rules (77 Ill. Adm. Code 1100.510(d)(2)).

These hospitals, as well as Centegra Hospital - Huntley, are owned and operated by Centegra Health System. These three hospitals have a unified medical staff, which permits members of their medical staffs to admit and treat patients at each of the three hospitals. These hospitals utilize a common medical record, which permits medical professionals to access and utilize patients' medical records at any of the hospitals.

After the Comprehensive Physical Rehabilitation Category of Service is relocated to Centegra Hospital - Woodstock, it will serve the same patient population and continue to provide the same Health Safety Net Services within Health Service Area (HSA-8) as those currently provided by Centegra Hospital - McHenry for this category of service.

CY16 patient origin for the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – McHenry indicates that 97.5% of the patients resided in zip codes that are located entirely or in part within HSA-8 and that 86.4% of these Comprehensive Physical Rehabilitation patients resided in zip codes that are located either entirely or in part within McHenry County.

These patient origin data are found in Attachment 20, starting on Page 3.

Projected patient origin for Centegra Hospital - Woodstock's Comprehensive Physical Rehabilitation Service, which is expected to remain the same after this category of service is relocated from Centegra Hospital – McHenry, indicates that the geographical service area for this category of service is McHenry County, which is entirely within HSA-8.

There are residents of HSA-8 who are low-income and otherwise vulnerable, as documented by their residing in Medically Underserved Areas and/or Populations and by Centegra Hospital - McHenry's payor mix. The payor mix for Comprehensive Physical Rehabilitation patients is anticipated to remain the same when this category of service is relocated to Centegra Hospital - Woodstock.

The charity care and Medicaid information is found on Pages 6 - 9 of this attachment.

Medically Underserved Areas and Medically Underserved Populations are designated by the federal government (Health Resources and Services Administration of the U.S. Department of Health and Human Services) based on the Index of Medical Underservice. Designated Medically Underserved Areas (MUAs) and Medically Underserved Populations (MUPs) are eligible for certification and funding under federal programs such as Community Health Center (CHC) grant funds, Federally Qualified Health Centers (FQHCs), and Rural Health Clinics (<https://bhwh.hrsa.gov/shortage-designation/muap>) (Health Resources and Services Administration, U.S. Department of Health and Human Services).

A number of census tracts in HSA-8 have been designated by the Governor as having a federally-designated Medically Underserved Population, a designation that is made to document unusual local conditions and barriers to accessing personal health services. Within HSA-8, there are 43 census tracts that have this designation, 3 of which are located within McHenry County. A map identifying these census tracts can be found starting on Page 7 of Attachment 12.

This project will have a positive impact on essential safety net services in HSA-8 for those patients requiring inpatient care in the Comprehensive Physical Rehabilitation Category of Service because the relocation of this category of service to Centegra Hospital - Woodstock, which is in the same planning area and same geographic service area as Centegra Hospital - McHenry, will not result in any change in providing much needed services to patients residing in these areas and to those living elsewhere who require safety net services.

2. **The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.**

Centegra Hospital – McHenry is currently one of four providers of the Comprehensive Physical Rehabilitation Category of Service in HSA-8 and the sole provider of this category of service in McHenry County. The relocation of this category of service to Centegra Hospital – Woodstock will not change the number of providers of this category of service in the planning area. As a result of this relocation, Centegra Hospital – Woodstock will be the only provider of this category of service in McHenry County.

This project will not have an impact on the ability of another provider or health system to cross-subsidize safety net services because this CON proposes to relocate the Comprehensive Physical Rehabilitation Service with its 22 authorized beds from Centegra Hospital – McHenry to Centegra Hospital - Woodstock.

As noted above in the response to Question 1, both Centegra Hospital – Woodstock and Centegra Hospital – McHenry are owned and operated by Centegra Health System. These hospitals, as well as Centegra Hospital – Huntley, have a unified medical staff, which permits members of their medical staffs to admit and treat patients at each of the three hospitals. These hospitals utilize a common medical record, which permits medical professionals to access and utilize patients' medical records at any of the hospitals.

After this category of service is relocated to Centegra Hospital – Woodstock, the same safety net services will continue to be provided for Comprehensive Physical Rehabilitation patients as are currently provided at Centegra Hospital – McHenry. This project will not have any impact on the calculated bed need for this category of service that has been determined by the Illinois Health Facilities and Services Review Board and Illinois Department of Public Health in the "Inventory of Health Care Facilities and Services and Need Determinations" because it proposes to relocate the Comprehensive Physical Rehabilitation Service and all 22 of its beds that are being discontinued at Centegra Hospital – McHenry to Centegra Hospital - Woodstock.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

This application seeks approval to establish the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – Woodstock as a relocation of this category of service from Centegra Hospital – McHenry.

This project will have no impact on safety net providers in the community. Centegra Hospital – Woodstock will continue to be the only provider of the Comprehensive Physical Rehabilitation Category of Service in McHenry County after this category of service is relocated from Centegra Hospital – McHenry.

Both hospitals are located in the same health service area for the Comprehensive Physical Rehabilitation Category of Service, and the two hospitals are located approximately 9.6 miles apart with a travel time between them of approximately 16 minutes when adjusted for normal travel times in accordance with 77 Ill. Adm. Code 1100.510(d)(2).

Both hospitals are owned and operated by Centegra Health System, and the two hospitals

have a unified medical staff with physicians holding privileges at both hospitals, so the physiatrists who currently admit and treat Comprehensive Physical Rehabilitation patients in the Comprehensive Physical Rehabilitation Unit at Centegra Hospital - McHenry will continue to admit and treat their patients in the Comprehensive Physical Rehabilitation Unit at Centegra Hospital - Woodstock.

Safety Net Impact Statements shall also include all of the following:

1. **For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act.**

A notarized certification describing the amount of charity care provided in 2014 through 2016 by each of the hospitals that are members of Centegra Health System is found on Page 6 of this Attachment.

2. **For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.**

A notarized certification describing the amount of care provided to Medicaid patients in 2014 through 2016 by each hospital that are members of Centegra Health System is found on Page 7 of this Attachment.

3. **Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.**

A Safety Net information Table per PA 96-0031 in the specified format must be provided as part of Attachment 20 [sic "40"].

The Table is found on Page 8 and 9 of this attachment.

- a. A copy of Centegra Health System's 2016 Report to the Community is appended to this attachment starting on Page 10.
- b. During FY2016, Centegra Health System provided more than \$5,000,000 in community benefits (excluding charity care, government sponsored indigent health care and bad debt), an increase from FY2015.
- c. Examples of community benefits that will continue to be provided by Centegra Health System are:

- Support groups (e.g. for stroke patients)
 - Concussion education for local schools
 - Clinical education for occupational physical therapy students
 - Free physician lectures
 - Free screenings
 - Free education events and materials
- d. Centegra Health System was a core team member of the 2017 McHenry County Healthy Community Study, which is a collaborative effort with the McHenry County Department of Health and in which many community organizations participated. Centegra has also participated in the prior studies.
- e. Centegra Health System has been an active participant in the McHenry County Health Department's MAPP (Mobilizing for Action through Planning and Partnerships), an ongoing effort which is currently in its action phase.

August 14, 2017

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson, Second Floor
Springfield, Illinois 62761

Dear Ms. Avery:

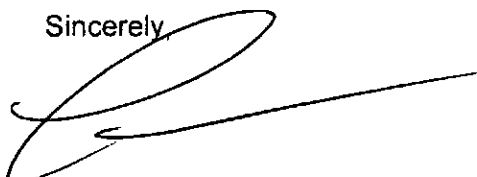
Centegra Health System hereby certifies that it provided the amount of charity care at cost that is shown below for the three audited fiscal years prior to submission of this certificate of need application.

CHARITY CARE			
	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>
<u>Centegra Hospital-McHenry</u>			
Inpatient	\$2,651,844	\$1,798,111	\$1,327,002
Outpatient	\$2,165,904	\$1,482,709	\$1,073,943
Total	\$4,817,748	\$3,280,820	\$2,400,945
<u>Centegra Hospital-Woodstock</u>			
Inpatient	\$1,309,064	\$1,072,987	\$778,987
Outpatient	\$1,457,928	\$1,093,184	\$867,571
Total	\$2,766,992	\$2,166,171	\$1,646,558

Centegra Hospital-Huntley opened August 9, 2016, which is in the fiscal year that ends June 30, 2017.

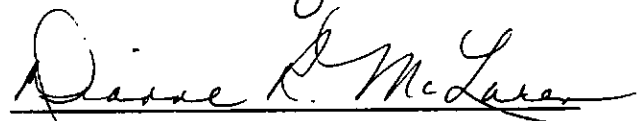
These amounts were calculated in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act.

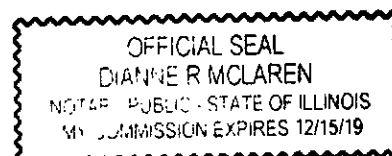
Sincerely,



Michael S. Eesley
Chief Executive Officer
Centegra Health System

SUBSCRIBED and SWORN to before me
this 14th day of August, 2017.


Notary Public



August 14, 2017

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson, Second Floor
Springfield, Illinois 62761

Dear Ms. Avery:

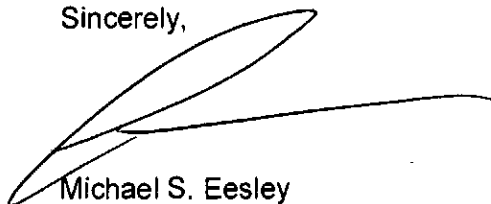
Centegra Health System hereby certifies that it provided the amount of Medicaid that is shown below for the three audited fiscal years prior to submission of this certificate of need application.

MEDICAID NET REVENUE			
	FY2014	FY2015	FY2016
<u>Centegra Hospital-McHenry</u>			
Inpatient	\$12,673,813	\$9,043,877	\$8,392,044
Outpatient	\$6,567,812	\$5,269,774	\$6,747,810
Total	\$19,241,625	\$14,313,651	\$15,139,854
<u>Centegra Hospital-Woodstock</u>			
Inpatient	\$5,527,251	\$4,065,703	\$8,082,053
Outpatient	\$4,313,244	\$1,661,784	\$4,536,983
Total	\$9,840,495	\$5,727,487	\$12,619,036

Centegra Hospital-Huntley opened August 9, 2016, which is in the fiscal year that ends June 30, 2017.

This information is provided in a manner consistent with information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source," as required by the Illinois Health Facilities and Services Review Board under Section 13 of the Illinois Health Facilities Planning Act and published in the Annual Hospital Profile.

Sincerely,

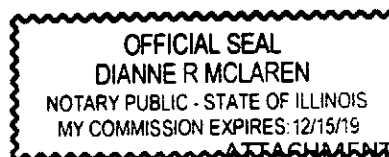


Michael S. Eesley
Chief Executive Officer
Centegra Health System

SUBSCRIBED and SWORN to before me
this 14th day of August, 2017.



Notary Public



ATTACHMENT 38, PAGE 7

Centegra Hospital-McHenry Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year FY14	Year FY15	Year FY16
Inpatient	307	200	237
Outpatient	2,308	1,946	2,312
Total	2,615	2,146	2,549
Charity (cost in dollars)			
Inpatient	\$2,651,844	\$1,798,111	\$1,327,002
Outpatient	\$2,165,904	\$1,482,709	\$1,073,943
Total	\$4,817,748	\$3,280,820	\$2,400,945
MEDICAID			
Medicaid (# of patients)			
Inpatient	996	357	317
Outpatient	11,587	4,598	3,993
Total	12,583	4,955	4,310
Medicaid (revenue)			
Inpatient	\$12,673,813	\$9,043,877	\$8,392,044
Outpatient	\$6,567,812	\$5,269,774	\$6,747,810
Total	\$19,241,625	\$14,313,651	\$15,139,854

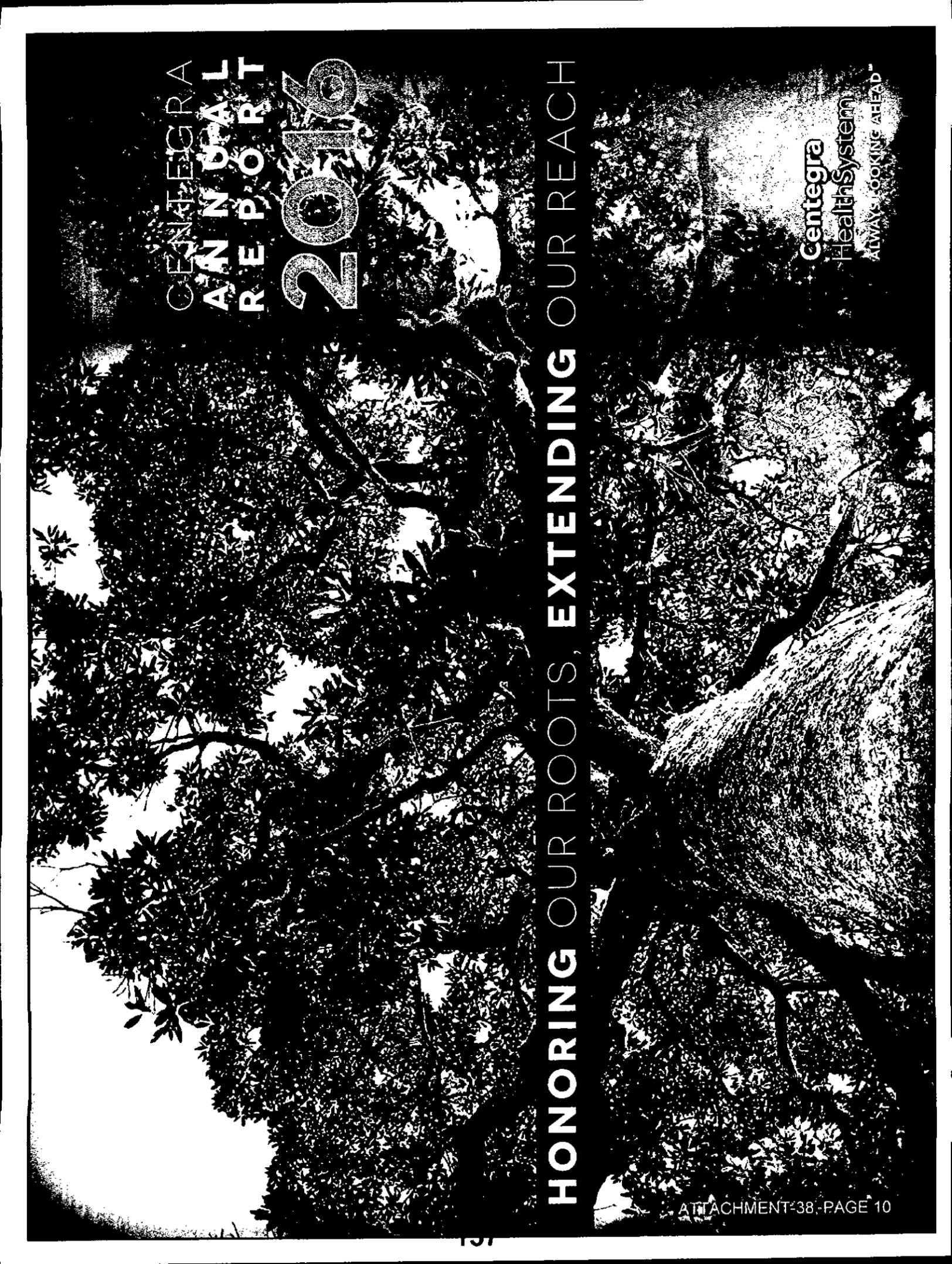
**Centegra Hospital-Woodstock
Safety Net Information per PA 96-0031**

CHARITY CARE

Charity (# of patients)	Year FY14	Year FY15	Year FY16
Inpatient	155	132	166
Outpatient	2,329	1,608	1,317
Total	2,484	1,740	1,483
Charity (cost in dollars)			
Inpatient	\$1,309,064	\$1,072,987	\$778,987
Outpatient	\$1,457,928	\$1,093,184	\$867,571
Total	\$2,766,992	\$2,166,171	\$1,646,558

MEDICAID

Medicaid (# of patients)			
Inpatient	655	206	310
Outpatient	8,952	2,368	2,053
Total	9,607	2,574	2,363
Medicaid (revenue)			
Inpatient	\$5,527,251	\$4,065,703	\$8,082,053
Outpatient	\$4,313,244	\$1,661,784	\$4,536,983
Total	\$9,840,495	\$5,727,487	\$12,619,036



CENTEGRA
ANNUAL
REPORT
2016

HONORING OUR ROOTS, EXTENDING OUR REACH

Centegra
HealthSystem
ALWAYS LOOKING AHEAD™

FROM THE CEO



For the first time, patients in southern McHenry County and northern Kane County had close-to-home access to hospital care when Centegra Hospital-Huntley opened Aug. 9, 2016. As Illinois' newest hospital and just the third new hospital in the state in more than 35 years, Centegra Hospital-Huntley represents a decade-long effort to bring our patients and their families the services they need, close to home.

This achievement was a result of the tremendous vision of the Centegra Health System Board of Governors. These selfless leaders give their time and talent to support high-quality health care in the community we serve. We are grateful to each of them for laying the groundwork that made Centegra Hospital-Huntley possible.

Centegra Hospital-McHenry and Centegra Hospital-Woodstock achieved national recognition in 2016 for quality, ranking among the best for providing safe, effective care. To ensure that same level of care is provided at Centegra Hospital-Huntley, the team staffed the new hospital with 50 percent current Centegra nurses and Associates.

This year the health system also extended services into communities like West Dundee, where a new immediate care center provided care to many first-time Centegra patients. We welcomed McHenry County Orthopaedics to Centegra Physician Care, and opened Centegra Aesthetica Plastic & Reconstructive Surgery Institute in Crystal Lake as well as Parabolic Sports Performance Lab at Centegra.

As we look ahead, the future of health and wellness in our community is brighter than ever. The Medical Staff, leaders and Associates of Centegra Health System are prepared to care for our community for generations to come.

Sincerely,

A handwritten signature in black ink that reads "Michael S. Eesley". The signature is written in a cursive, flowing style.

Michael S. Eesley
Chief Executive Officer
Centegra Health System

FROM THE BOARD OF GOVERNORS

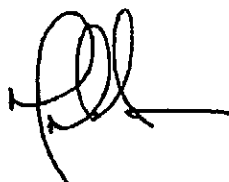
As community members, Centegra Health System's Board of Governors, Medical Staff and Associates take great pride in providing health care to our families, friends and neighbors. We understand our region's needs and thoughtfully consider ways to help you improve your health and wellness.

In the past year you've watched us grow to reach new patients and communities while maintaining our dedication to the communities we've always served. The opening of Centegra Hospital-Huntley is a remarkable achievement, the newest entry on a list of accomplishments that dates back to the 1914 formation of the Woodstock Public Hospital Association, the region's first hospital.

Since then, our leaders have developed new services to meet our community's needs. We have recruited expert physicians, encouraged the professional development of our Associates and partnered with other health care leaders including Ann & Robert H. Lurie Children's Hospital and the Chicago Medical School at Rosalind Franklin University of Medicine and Science to bring the best care to our region.

As we look ahead to our potential partnership with Northwestern Medicine, we also take a moment to reflect on our accomplishments of 2016 as well as on Centegra Health System's rich history. That history is the foundation for Centegra Health System's future growth, our success and our commitment to high-quality care for our friends and neighbors.

Sincerely,



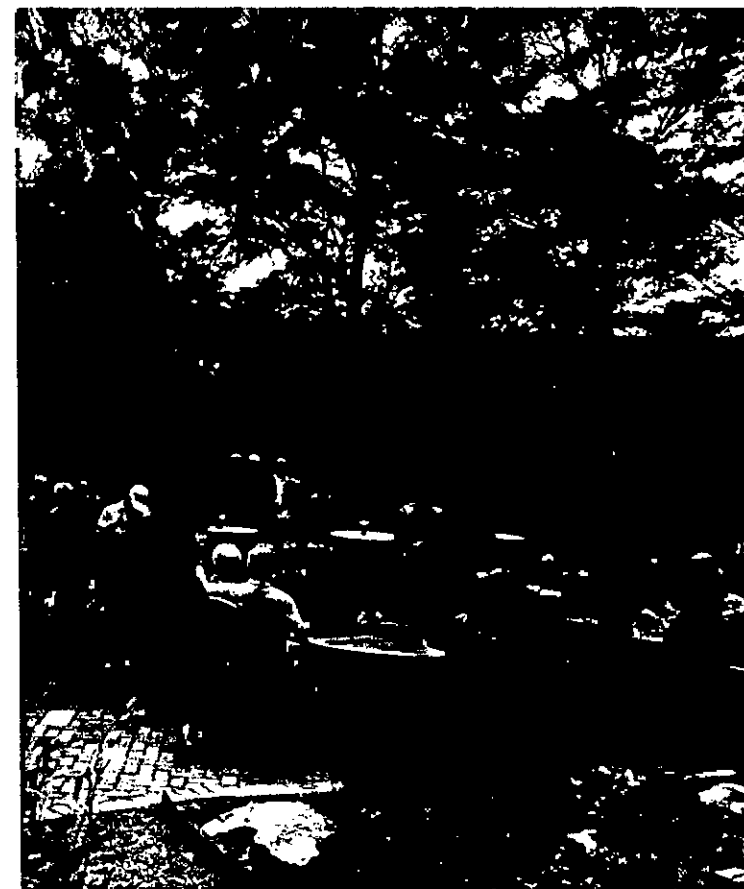
Mike Curran
Chairman
Centegra Board of Governors



In FY16,
Centegra
sponsored
more than
206
COMMUNITY
EVENTS
that touched
more than
191,702
INDIVIDUALS.

COMMUNITY **BENEFITS**

- Free Blood Pressure and Diabetes Screenings once every month during food distributions with the Northern Illinois Food Bank
- Chamber of Commerce Memberships
- Big Brothers Big Sisters
- United Way
- Northern Illinois Special Recreation Association
- Raue Center for the Arts Corporate Sponsorship
- 10 Physician Lectures
- 7 Community Parades
- 7 Community Expos
- 10th Annual Centegra Health Strong Woman Event
- United Way Human Race
- March of Dimes March for Babies
- 4 American Cancer Society Relay For Life Events
- Sun City Community Events
- Bob Blazier Run for the Arts
- Girls on the Run
- Tours of Centegra Hospital-Huntley
- Centegra Family Health Fest
- McHenry County Children's Health & Safety Fair
- McHenry County Fair
- Senior Fair
- Huntley Fall Fest
- Family Health Partnership Care4 Breast Cancer 5K Run/Walk



ACCOMPLISHMENTS AND ACCREDITATIONS

Centegra Hospital-Huntley Opens

After more than a decade of planning, Centegra Hospital-Huntley opened Aug. 9, 2016. The new hospital ensures patients can receive expert care right in their own community. See page 7 for the complete story.

Internal Medicine Residency – Rosalind Franklin University

Centegra Health System and the Chicago Medical School at Rosalind Franklin University of Medicine and Science worked throughout the year to offer an Internal Medicine Residency Program, which began with eight residents in July 2016. The residents are splitting their time between Centegra Hospital-McHenry, Centegra's outpatient facilities and with independent physicians and specialists.

Emergency Department LEAN – Rapid Improvement Initiative

The Centegra Hospital-McHenry Emergency Department (ED) worked on a health system Lean Value Stream, defined as a sequence of connected monthly improvement events over 12 to 18 months. These four-day Rapid Improvement Events (RIEs) provide a facilitated structured approach for ED Associates, Physicians and other providers to give input and develop solutions to improve workflow and patient care processes.

Centegra Hip & Knee Replacement Center

The Centegra Hip & Knee Replacement Center is in its third year of operation. In its inaugural year, the center performed 721 cases, an increase from 667 prior to the inception of the program. FY16 proved to be another successful year with 825 cases and a 91 percent patient satisfaction rate. The Centegra Hip & Knee Replacement Center opened the Total Joint Pre-Operative Clearance Clinic in July 2016 to provide patients a comprehensive evaluation in one convenient location, helping to reduce the surgical cancellation rate for patients who are unable to receive clearance in a timely manner.

Top 20 Hospital in Illinois

U.S. News & World Report ranked Centegra Hospital-McHenry as No. 14 in the Best Hospitals in Chicago issue and No. 16 in Illinois. The hospital was high performing in the orthopedics and pulmonary disease categories. Centegra Hospital-Woodstock received the highest rating for its treatment of chronic obstructive pulmonary disease.

Truven Top Health System

The Truven Top Health System compares health systems' levels of quality achievement and five-year rates of improvement in an effort to compare performance improvement strategies relative to other health systems across the nation. In the 2016 report, Centegra Health System ranked among the top in the nation, scoring an 80th percentile in quality performance and a 92nd percentile in rate of improvement.

Leapfrog Safety Recognition

Centegra hospitals received "A" ratings in the Fall 2015 Hospital Safety Scores. The scores were announced by the Leapfrog Group, an independent nonprofit organization that drives quality, safety and transparency in U.S. health systems. The Hospital Safety Scores are released biannually and rate how well hospitals protect patients from preventable medical errors, injuries and infections within the hospital. In Spring 2016, McHenry received an "A" rating and Woodstock received a "B."

Emergency Department Information System Award

Centegra was chosen by T-System as the recipient of its Client Excellence Award for 2015. Months of dedicated team collaboration and effort by many departments, most specifically the Emergency Department, Pharmacy, Nursing, Lab, Medical Imaging, Registration and IT went into ensuring a successful launch of the T-System July 14, 2015.

ACCOMPLISHMENTS AND ACCREDITATIONS

Healogics Center of Distinction

Centegra Wound and Hyperbaric Center was named a **Healogics Center of Distinction**, achieving or exceeding outstanding clinical and operational results in 2015 and 2016.

3-Star Rating

Centegra Hospital-McHenry achieved the **Society of Thoracic Surgeons 3-Star Rating** for the 2016 Fiscal Year. This was Centegra's fourth consecutive time to achieve a 3-Star Rating for the quality of coronary artery bypass surgery among hospitals across the country.

ACC GWTG Platinum Performance Achievement Award

Centegra Hospital-McHenry again received the **American College of Cardiology Foundation's NCDR ACTION Registry-Get With the Guidelines Platinum Performance Achievement Award**. The award recognizes the hospital's success at providing a higher standard of care for heart attack patients. It shows Centegra Hospital-McHenry has reached an aggressive goal of providing the best-available cardiac care.

Centegra Health System Foundation

The Centegra Foundation received increased participation and financial support through the annual Associate Giving Campaign. The Centegra System Leadership team supported the **Associate Giving Campaign** through 100 percent participation. In the past fiscal year, the Centegra Health System Foundation honored 68 requests for funding totaling \$2.25M toward various health system needs, including enhancement of patient services, new technology and numerous community screenings.

Community Honors

Centegra Health System was honored at a special event that recognized organizations that have made our community a better place to live and work. The **Commitment to McHenry County Awards Dinner**, sponsored by the Northwest Herald, highlighted the ways our health system has improved the health and wellness of the community we serve. Centegra Health System received the **Commitment to McHenry County Award** for its dedication to innovative growth and exceptional quality.



FINANCIALS & STATISTICS FY 2016

COMMUNITY BENEFITS

Charity care	\$4,461,000
Government-sponsored indigent health care	\$43,506,000
Other community benefits	\$5,379,000
Community benefit hours	88,941

VISITS & WELLNESS

Behavioral health outpatient sessions	6,746
Centegra Health Bridge	
Fitness Center members	16,247
Centegra Primary Care (CPC) visits	239,600
Companies served by occupational medicine	1,455
Emergency department visits	59,724
Flight for Life flights	401
Home health visits	29,695
Immediate care center visits	40,749
Wellness program attendees	13,184
Wellness screenings	16,846

INPATIENT CARE & PROCEDURES

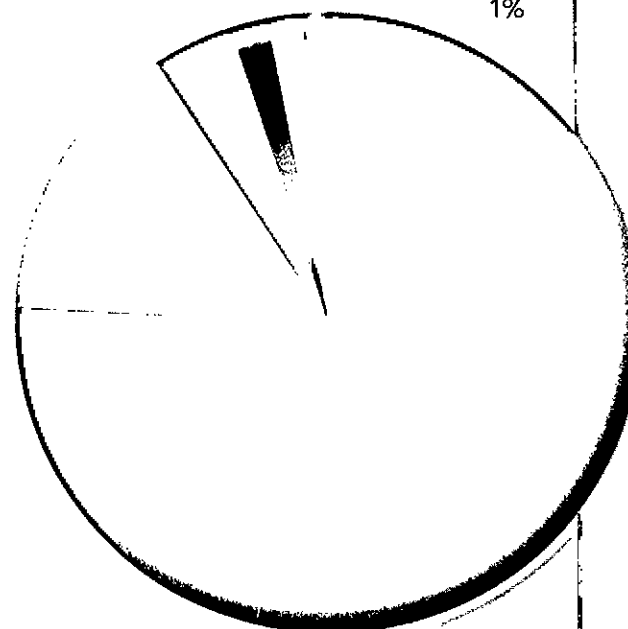
Babies born	1,586
Cardiac cath procedures	2,100
Hip and knee replacements	825
Hospital beds	285
Open heart surgeries	182
Outpatient imaging procedures	151,318
Outpatient laboratory procedures	272,942
Patients admitted to hospitals	14,977
Sleep lab procedures	1,880
Surgeries	11,941

TEAM MEMBERS

Associates	3,948
Centegra Primary Care (CPC) Providers	208
Physicians on staff	563
CPC hours volunteered at	
Family Health Partnership Clinic	285
Volunteer hours (to Centegra)	48,034

CONSOLIDATED EXPENSES

● Labor	54%
● Purchased Services & Other	22%
● Supplies & Drugs	15%
● Capital Costs	4%
● Interest	2%
● Repairs & Maintenance	2%
● Insurance	1%



COMMUNICATION

Calls to
877-CENTEGRA

16,313

Visits to
centegra.org

983,972

CENTEGRA HOSPITAL-HUNTLEY OPENS

After a decade of planning, Centegra Hospital-Huntley welcomed its first patients Aug. 9, 2016. As just the third new hospital in Illinois in more than 35 years, the facility completed Centegra's goal to provide community members access to a full range of health care services all on one campus.

"Patients want the best care right here close to home," said Michael S. Eesley, chief executive officer of Centegra Health System. "Our team lives here, works here and takes great pride in serving our friends and neighbors."

Centegra Hospital-Huntley is a 128-bed all-private room hospital that includes a Level II Trauma Center, 100 medical-surgical beds, eight intensive care unit beds and a 20-bed Family Birth Center. Pediatric inpatient specialists from Ann & Robert H. Lurie Children's Hospital of Chicago are on site around the clock to provide children access to the highest level of inpatient and emergency care. Patients receive care in state-of-the-art operating suites, and emergency and diagnostic care is provided in the cardiac catheterization laboratory.

The hospital's campus is also home to Centegra Health Bridge Fitness Center and a medical office building that offers Centegra Immediate Care, the Centegra Back & Spine Center, physician offices and outpatient services. A second medical office building is currently under construction and is expected to open in spring 2017.

"This unique campus now provides patients and families everything from wellness and preventive care to the highest level of acute medical treatment," Eesley said. "It is the culmination of years of careful planning to provide our patients and their families the care they need right in their own backyards."

More than 800 construction jobs were created in the two years it took to build the facility and over 50 percent of the subcontractors were from McHenry, Kane and Lake Counties in Illinois. Eesley said more than half of the new hospital's employees came from other Centegra locations, and at the time of the opening about 400 new jobs had been created. He expected that number to double as the hospital volumes increase.

Thousands of community members toured Centegra Hospital-Huntley in the months prior to its opening, taking advantage of events that welcomed them to look inside the Emergency Department, the Centegra Hip & Knee Replacement Center, the retail pharmacy and the made-to-order café. Eesley said the community's enthusiasm excited the entire Centegra team as they completed final preparations to open the hospital.

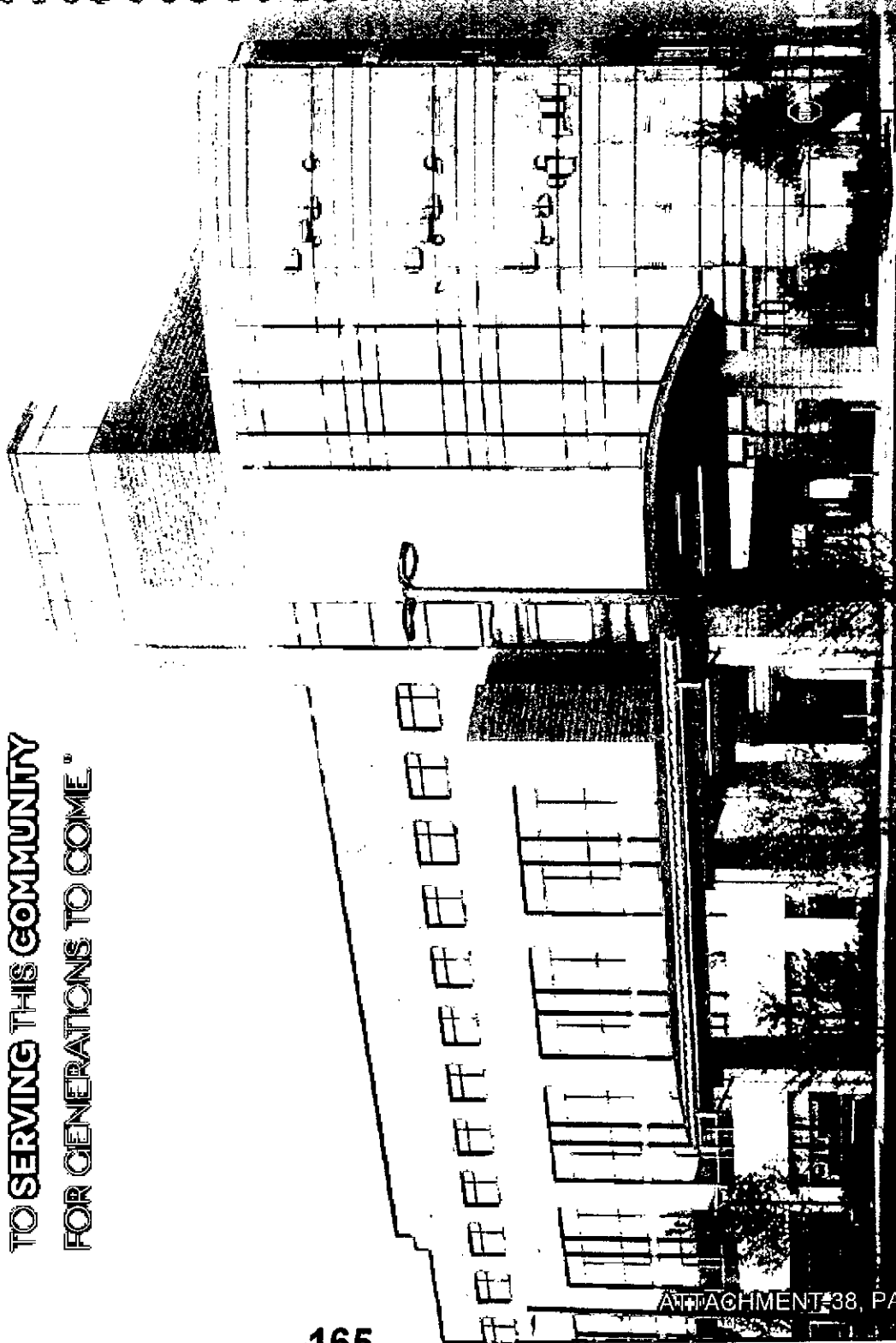
**"OUR VISION HAS BECOME REALITY,
AND WE LOOK FORWARD
TO SERVING THIS COMMUNITY
FOR GENERATIONS TO COME."**

ECHOES FROM THE PAST

Centegra purchased 110 acres of property in Huntley in August 2006 with the intention to develop a campus that would bring sophisticated health care to the community. In 2008 the first two facilities on the campus opened. As Huntley and its surrounding communities continued to grow, Centegra Health System identified a need to build a full-service hospital to provide a higher level of care to patients and their families. In 2010 Centegra Health System filed an application for a Certificate of Need with the Illinois Health Facilities and Services Review Board to build an acute care facility in Huntley. The board approved the Certificate of Need in July 2012 and in February 2014 Centegra Health System broke ground on the new hospital.



The beam-raising ceremony for the new hospital was held Saturday, July 12, 2014.



QUALITY RESULTS, ENHANCED SERVICES

At Centegra Health System, **quality** is defined by the patient's experience. From the first phone call to the last appointment, patients expect to receive excellent care. In 2016 Centegra achieved top honors for quality results and enhanced services to address patients' needs.

The Truven Top Health System evaluates system's level of quality achievement and five-year rate of improvement in an effort to compare performance improvement strategies relative to other health systems across the nation. In the 2016 report, Centegra Health System ranked among the top in the nation, scoring an 80th percentile in quality performance and a 92nd percentile in the rate of improvement.

The hospitals also received four-star ratings from the Centers for Medicare & Medicaid Services (CMS), placing them among the top 22.5 percent of hospitals nationwide. Centegra Hospital-McHenry received a 0 percent readmission penalty and Centegra Hospital-Woodstock received a .18 percent readmission penalty, both which rank among the best in the nation.

Centegra hospitals received "A" ratings in the Fall 2015 Hospital Safety Scores. The scores were announced by the Leapfrog Group, an independent nonprofit organization that drives quality, safety and transparency in the United States. In addition, the hospitals achieved the Get with the Guidelines Silver Plus Award for stroke.

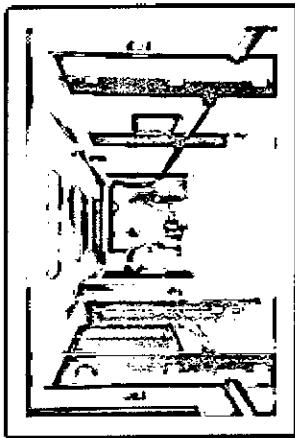
A new Inpatient Behavioral Health unit opened at Centegra Hospital-Woodstock to welcome patients into a modern space that also gives them access to acute medical care. The hospital's new Psychiatric Emergency Services provides patients more timely access to care when they need it the most.

Centegra Hospital-McHenry and Centegra Sage Cancer Center were among 20 accredited cancer programs across the nation to receive the Outstanding Achievement Award from The American College of Surgeons Commission on Cancer (CoC). The award recognizes programs that achieve excellence in providing quality care to people with cancer. Centegra's program was one of five that earned the award at four consecutive survey cycles (2007, 2010, 2013 and 2016). The award-winning programs represent approximately six percent of all programs surveyed.

Amir Heydari, MD, FACS was recognized as a Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program Verified Surgeon for the Bariatric Program at Centegra Hospital-Woodstock. The team also achieved the Comprehensive Center Accreditation.

ECHOES FROM THE PAST

Behavioral Health services were introduced in 1981 when Memorial Hospital joined forces with the Family Services and Community Mental Health Center. Inpatient Behavioral Health relocated to the Doty Road campus in 2015.



In 1987, Flight for Life became an on-site presence in McHenry, providing lifesaving care to patients throughout the region.



POWERFUL PARTNERSHIPS

Community members had better access to additional health and wellness experts in 2016 thanks to powerful partnerships formed by Centegra Health System.

Centegra partnered with **Ann & Robert H. Lurie Children's Hospital of Chicago** to provide 24-hour pediatric hospitalist coverage at Centegra Hospital-Huntley (CH-H) when it opened in August 2016. Pediatricians from Lurie Children's are in the hospital 24/7 to coordinate inpatient care with each child's primary care physician and are also available to assist with pediatric emergencies in the CH-H Emergency Department. Community members also looked forward to the addition of a Lurie Children's outpatient clinic to the Huntley campus in the fall of 2016. Centegra also partnered with Lurie Children's to provide a higher level of pediatric cardiology and concussion care.



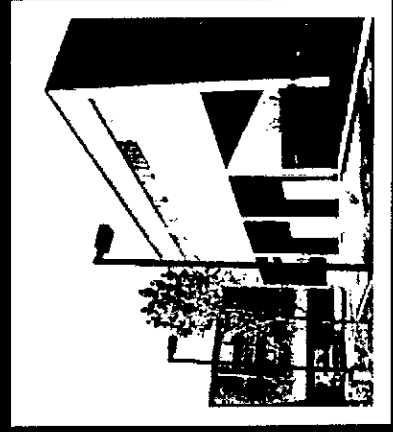
To support the education of the next generation of physicians, Centegra and the **Chicago Medical School at Rosalind Franklin University of Medicine and Science** partnered to offer an Internal Medicine Residency Program. The three-year program began with eight residents in July 2016. The residents spend approximately 50 percent of their time at Centegra Hospital-McHenry, and also will care for patients at Centegra's outpatient facilities and with independent physicians and specialists. The doctors who serve as faculty members were chosen because of their expertise within their fields. Eight additional residents will be welcomed to the program in 2017 and eight more again in 2018.

Athletes of all ages and abilities began to train at the **Parabolic Sports Performance Lab at Centegra**, which opened in February. Certified strength and conditioning specialists help clients reach their peak performance levels by customizing a training program for them. The youth performance training program, the high school athlete development and the adult performance training models offer a wide range of options for individuals and teams.

These partners broadened Centegra's ability to provide services that help families and educate new providers, demonstrating the health system's commitment to high-quality local health care.

ECHOES FROM THE PAST

In 1995, Northern Illinois Medical Center in McHenry and Memorial Medical Center in Woodstock united to form Centegra Health System. Its name was created from "Cent," for keeping patients at the "center" of the care we provide and "tegra" for "integrity," "integral" and "integrated."



PARABOLIC
SPORTS PERFORMANCE

CENTEGRA HEALTH SYSTEM SIGNS A **LETTER OF INTENT**

"A partnership between **Centegra Health System** and **Northwestern Medicine** would increase the depth of Centegra's clinical capabilities, enhance possibilities for physician collaboration and improve efficiencies..."

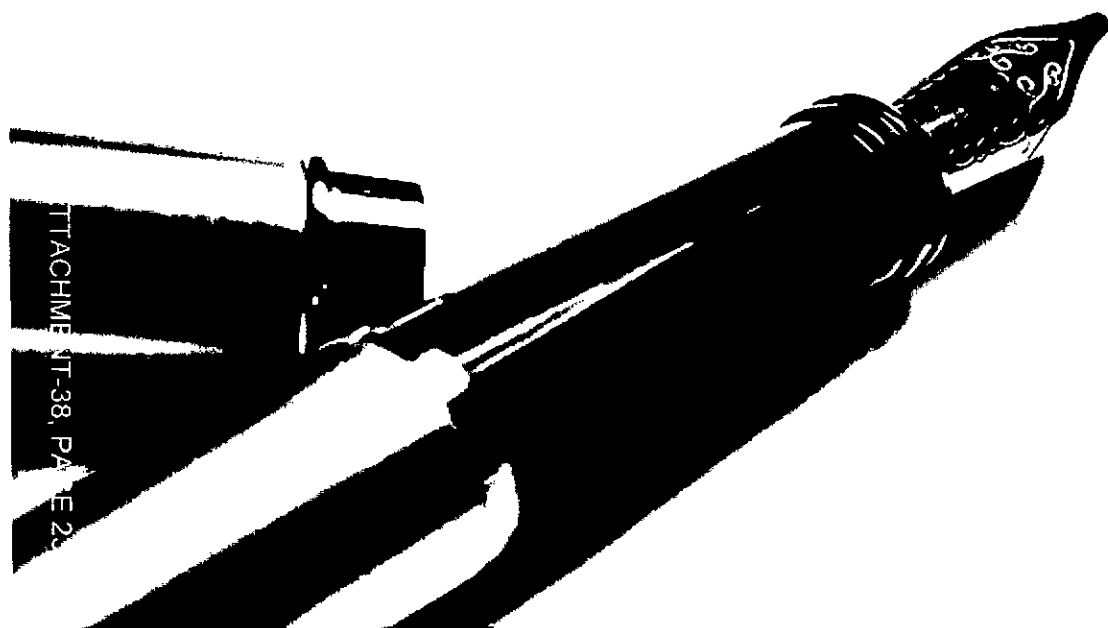
On April 5, 2016, Centegra Health System and Northwestern Medicine announced the intent to affiliate by signing a non-binding letter of intent. If approved, this powerful union will combine Centegra's exceptional community-based care with Northwestern Medicine's world-class academic health care expertise.

Northwestern Medicine shares Centegra's commitment to clinical excellence with a focus on patient-centered care. Its seven hospitals include Northwestern Memorial Hospital, which was ranked No. 1 in Chicago and Illinois as well as 11th in the nation according to the U.S. News & World Report 2015-2016 Honor Roll of America's Best Hospitals.

The affiliation will go through a series of regulatory reviews and approvals before a final closing date can be determined.

"A partnership between Centegra Health System and Northwestern Medicine would increase the depth of Centegra's clinical capabilities, enhance possibilities for physician collaboration and improve efficiencies to provide the best-possible care for patients and their families," said Michael S. Eesley, Chief Executive Officer of Centegra Health System.

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ATTACHMENT-38, PAGE 23



Centegra Health System
Board of Governors, 2016

ECHOES FROM THE PAST

Centegra Health System reinforced its commitment to enhancing the technology and healing environment for patients and families with the opening of the Sage Cancer Center in 2003.



In 2006, cardiologists at Centegra Hospital-McHenry performed the region's first open-heart surgery.



CENTEGRA PHYSICIAN CARE EXPANDS

New specialties and services kept **Centegra Physician Care** and **Centegra Immediate Care** in the news in 2016. The practice continued to look for new ways to bring health care experts to local communities to give patients the care they need, close to home.

The October 2015 addition of **McHenry County Orthopaedics**, now known as Centegra Physician Care-McHenry County Orthopedics, to the employed practice brought eight fellowship-trained, board-certified surgeons to the Centegra Physician Care team. The health system was also proud to welcome their outstanding team of physical and occupational therapists, medical imaging specialists and other professionals to the Centegra family.



Another new specialty was added to Centegra Physician Care when **Centegra Aesthetica Plastic & Reconstructive Surgery Institute** opened in Crystal Lake. Plastic and reconstructive surgeon Saeed Chowdhry, MD and his team now offer in-office procedures for subtle changes as well as life-changing transformations through surgery at Centegra Hospital-Woodstock and Centegra Hospital-McHenry.

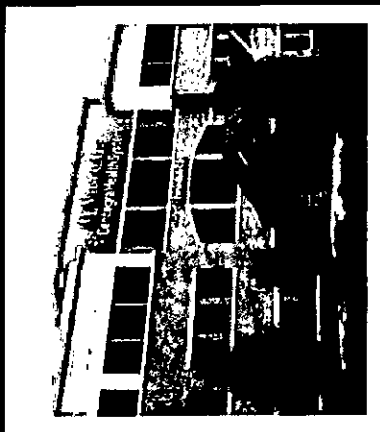
Centegra Immediate Care opened in **West Dundee** to introduce Centegra's high-quality care to patients who will be served by Centegra Hospital-Huntley. In addition to immediate care services, the new location includes physical therapy, occupational health and X-ray.

Bariatric surgeon Amir Heydari, MD brought two new surgeries to the region in 2016. He was among the first in the nation to use a minimally invasive procedure to insert the **Orbera® weight-loss balloon** in the stomach of a patient. Dr. Heydari also began to perform endoscopic revisions of weight-loss surgeries.

ECHOES FROM THE PAST

In 1996 the first physicians joined Centegra Primary Care, the employed physician practice that has grown to become Centegra Physician Care.

Centegra's first Immediate Care locations in Crystal Lake and Huntley opened in 2008.



— CENTEGR —

PLASTIC & RECONSTRUCTIVE SURGERY INSTITUTE

XI.

Charity Care Information

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three audited fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.

Centegra Health System, a co-applicant for this project, is the sole corporate member of Centegra Hospital – McHenry, Centegra Hospital – Woodstock and Centegra Hospital - Huntley. Centegra Hospital-Huntley opened August 9, 2016, which is in the fiscal year that ends June 30, 2017.

The charts presented below document the amount of charity care for the last three audited fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue for each of these hospitals.

Centegra Hospital – McHenry CHARITY CARE			
	FY14	FY15	FY16
Net Patient Revenue	\$247,541,588	\$268,241,543	\$314,958,842
Amount of Charity Care (charges)	\$16,612,923	\$11,336,629	\$8,516,834
Cost of Charity Care	\$4,817,748	\$3,280,820	\$2,400,936
Ratio of Charity Care Cost to Net Patient Revenue	.290	.289	.282

Centegra Hospital – Woodstock CHARITY CARE			
	FY14	FY15	FY16
Net Patient Revenue	\$130,979,938	\$123,892,358	\$130,641,946
Amount of Charity Care (charges)	\$8,897,081	\$7,292,581	\$5,655,030
Cost of Charity Care	\$2,766,992	\$2,267,993	\$1,646,558
Ratio of Charity Care Cost to Net Patient Revenue	.311	.311	.291

2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.

The reporting provided on the charts above is for each individual facility.

3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

This section does not apply.

APPENDIX 1

Physician Referral Letters

SANDHYA R. MEESALA, MD
COVENANT PHYSIATRY
#167 1590 W. ALGONQUIN RD
HOFFMAN ESTATES, IL. 60192
Ph: 847-852-6478
Email: sanabe07@gmail.com

August 10, 2017

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Dear Ms. Avery:

I am a practicing physiatrist who is a member of the active medical staff at Centegra Health System, which includes provisions at its three hospitals: Centegra Hospital – Huntley, Centegra Hospital – McHenry and Centegra Hospital – Woodstock. As a result, I may practice at all hospitals within Centegra Health System without having to apply for separate staff privileges at each facility.

I currently admit and treat patients in the Inpatient Rehabilitation Unit at Centegra Hospital – McHenry, and I will continue to admit and treat patients in the Inpatient Rehabilitation Unit at Centegra Hospital – Woodstock when that category of service is relocated to that facility.

During the calendar year 2016, I admitted 186 patients to the Inpatient Rehabilitation Unit at Centegra Hospital – McHenry. Those patients experienced 2,694 patient days in the unit. Patient origin can be found on the following page.

After this CON permit and the contingent COE permit are granted and Centegra Hospital – Woodstock's Inpatient Rehabilitation Unit becomes operational, I estimate that I will treat, at a minimum on an annual basis during the first two full fiscal years of operation of Centegra Hospital – Woodstock's Comprehensive Physical Rehabilitation Category of Service, which will be its first 24 months of operation, the same number of patients experiencing the same number of patient days as I currently treat at Centegra Hospital – McHenry. In addition, I expect that between now and the completion of the first two full fiscal years of operation of the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – Woodstock, which will be in its first 24 months of operation, my practice and the resulting inpatient referrals will increase at least commensurate with the expected population increase in the area.

I verify by my signature below that I have not committed patient referrals to support another pending CON application or an approved CON project for the Comprehensive Physical Rehabilitation Category of Service.

Thank you,

SANDHYA R. MEESALA. MD
COVENANT PHYSIATRY
#167 1590 W. ALGONQUIN RD
HOFFMAN ESTATES, IL. 60192
Ph: 847-852-6478
Email: sanabe07@gmail.com

Shandya Meesala

Shandya Meesala, MD
Physiatrist
1590 W. Algonquin Road
Hoffman Estates, IL 60192



SUBSCRIBED and SWORN to before me
this day 10 of August, 2017.

Kelly M. Innis

Notary Public

Historic Referrals for Centegra Hospital – McHenry
Comprehensive Physical Rehabilitation Category of Service
Shandya Meesala, MD
January 1, 2016 – December 31, 2016

Zip Code	Cases
60050	21
60014	19
60051	16
60098	15
60013	13
60020	10
60081	9
60097	9
60033	8
60041	8
60142	8
60073	6
60002	5
60012	4
60102	4
60042	3
60071	3
60084	3
60156	3
60010	2
60046	2
60047	2
60152	2

SANDHYA R. MEESALA. MD
COVENANT PHYSIATRY
#167 1590 W. ALGONQUIN RD
HOFFMAN ESTATES, IL. 60192
Ph: 847-852-6478
Email: sanabe07@gmail.com

53128	1
60021	1
60030	1
60034	1
60060	1
60061	1
60083	1
60087	1
60118	1
60180	1
61102	1
Total	186

B.C. Shankara MD
Physiatry
4201 Medical Center Drive
McHenry, IL, 60050
Ph: (815) 759-4640
Fax: (815) 759-8064

August 10, 2017

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Dear Ms. Avery:

I am a practicing physiatrist who is a member of the active medical staff at Centegra Health System, which includes provisions at its three hospitals: Centegra Hospital – Huntley, Centegra Hospital – McHenry and Centegra Hospital – Woodstock. As a result, I may practice at all hospitals within Centegra Health System without having to apply for separate staff privileges at each facility.

I currently admit and treat patients in the Inpatient Rehabilitation Unit at Centegra Hospital – McHenry, and I will continue to admit and treat patients in the Inpatient Rehabilitation Unit at Centegra Hospital – Woodstock when that category of service is relocated to that facility.

During the calendar year 2016, I admitted 291 patients to the Inpatient Rehabilitation Unit at Centegra Hospital – McHenry. Those patients experienced 3,850 patient days in the unit. Patient origin can be found on the following page.

After this CON permit and the contingent COE permit are granted and Centegra Hospital – Woodstock's Inpatient Rehabilitation Unit becomes operational, I estimate that I will treat, at a minimum on an annual basis during the first two full fiscal years of operation of Centegra Hospital – Woodstock's Comprehensive Physical Rehabilitation Category of Service, which will be its first 24 months of operation, the same number of patients experiencing the same number of patient days as I currently treat at Centegra Hospital – McHenry. In addition, I expect that between now and the completion of the first two full fiscal years of operation of the Comprehensive Physical Rehabilitation Category of Service at Centegra Hospital – Woodstock, which will be in its first 24 months of operation, my practice and the resulting inpatient referrals will increase at least commensurate with the expected population increase in the area.

I verify by my signature below that I have not committed patient referrals to support another pending CON application or an approved CON project for the Comprehensive Physical Rehabilitation Category of Service.

Thank you,



B.C. Shankara MD
Physiatry
4201 Medical Center Drive
McHenry, IL, 60050
Ph: (815) 759-4640
Fax: (815) 759-8064

B.C. Shankara MD

B.C. Shankara, MD
Physiatrist
4201 Medical Center Drive
McHenry, IL 60050

SUBSCRIBED and SWORN to before me
this day 10 of August, 2017.

Kelly M. Innis

Notary Public

Historic Referrals for Centegra Hospital – McHenry
Comprehensive Physical Rehabilitation Category of Service
B.C. Shankara, MD
January 1, 2016 – December 31, 2016

Zip Code	Cases
60050	57
60014	35
60051	29
60098	28
60097	19
60020	18
60012	17
60142	11
60081	9
60071	7
60073	6
60102	6
60002	5
60041	5
60156	4
53181	3
60010	3
60034	3
60042	3
60152	3
60033	2
60072	2
60084	2
60180	2
33980	1
36912	1
53128	1
53147	1
60013	1

B.C. Shankara MD
Physiatry
4201 Medical Center Drive
McHenry, IL, 60050
Ph: (815) 759-4640
Fax: (815) 759-8064

60039	1
60046	1
60060	1
60118	1
61012	1
62301	1
94509	1
<hr/>	
Total	291


APPENDIX 2

Mapquest Travel Times

YOUR TRIP TO:

mapquest

Presence Saint Joseph Hospital

36 MIN | 19.1 MI 
 $\times 1.15 = 41 \text{ minutes}$
 Est. fuel cost: \$1.76

Presence Saint Joseph Hospital

Trip time based on traffic conditions as of 9:37 PM on July 24, 2017. Current Traffic: Moderate



1. Start out going north on Doty Rd toward US Highway 14/US-14 E/US-14 W.

Then 0.08 miles

0.08 total miles



2. Turn right onto US Highway 14/US-14 E. Continue to follow US-14 E.

Then 4.95 miles

5.03 total miles



3. Turn right onto McHenry Ave.

McHenry Ave is just past Van Buren St.

If you reach Linn Ave you've gone a little too far.

Then 1.81 miles

6.84 total miles



4. Turn right onto James R Rakow Rd.

James R Rakow Rd is just past Windham Cove Dr.

Then 0.24 miles

7.09 total miles



5. James R Rakow Rd becomes N Randall Rd.

Then 10.81 miles

17.89 total miles



6. Turn left onto Highland Ave/County Hwy-47.

Highland Ave is 0.3 miles past Brinckman Way.

If you are on Randall Rd and reach Almora Ter you've gone about 0.2 miles too far.

Then 0.76 miles

18.66 total miles



7. Turn right onto N Airlite St.

N Airlite St is 0.1 miles past Sienna Dr.

If you are on County Hwy-47 and reach Presidential Ln you've gone about 0.1 miles too far.

Then 0.44 miles

19.09 total miles



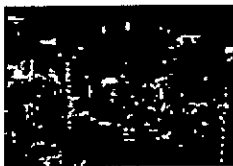
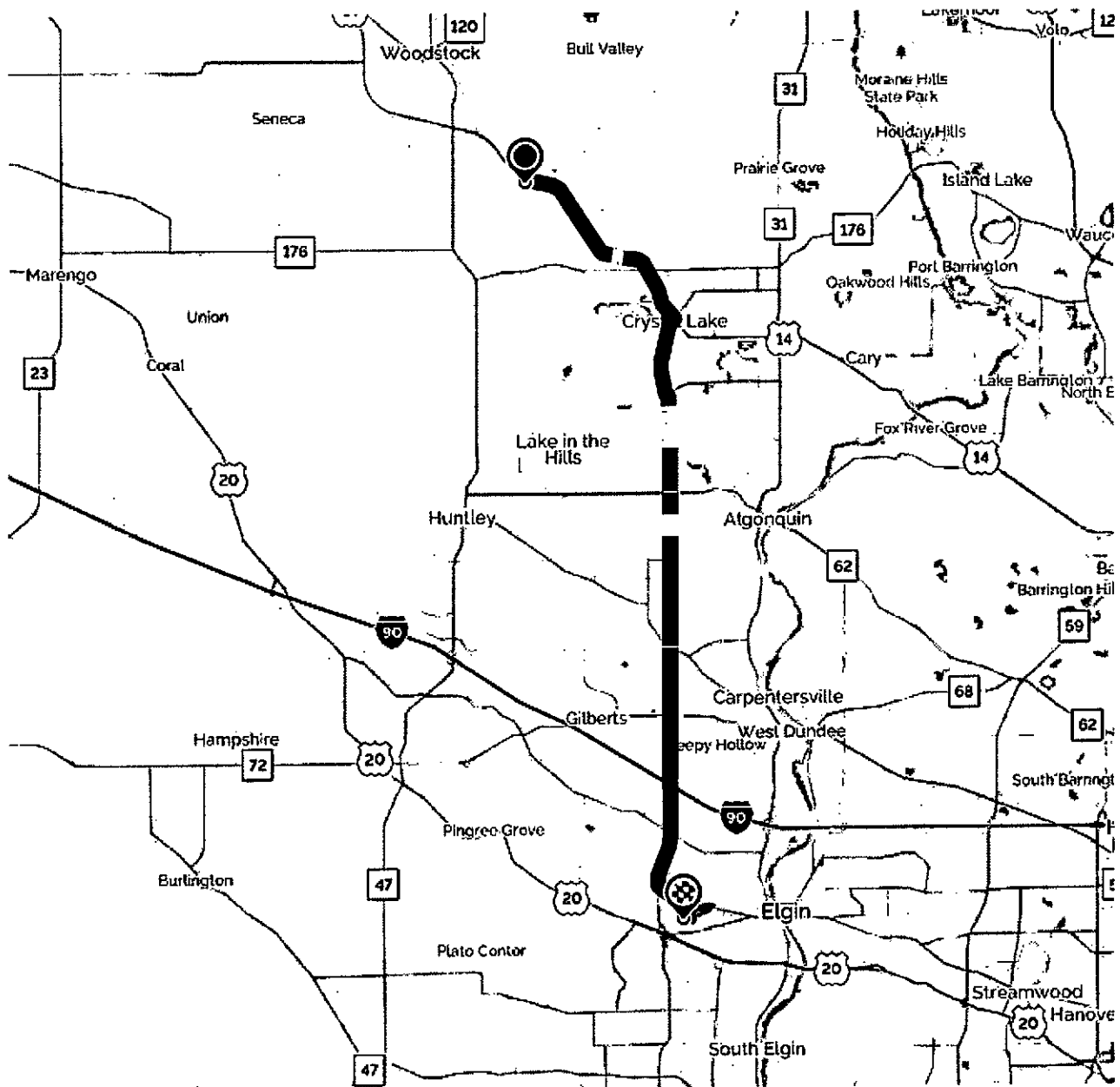
8. Presence Saint Joseph Hospital, 77 N Airlite St, Elgin, IL, 77 N AIRLITE ST is on the left.

Your destination is just past Lin Lor Ln.

If you reach Provena Dr you've gone a little too far.

APPENDIX 2, PAGE 1

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Car trouble mid-trip?
MapQuest Roadside
Assistance is here:
(1-888-461-3625)

YOUR TRIP TO:

mapquest

4201 W Medical Center Dr, Mchenry, IL, 60050-8409

14 MIN | 9.6 MI

$\times 1.15 = 16$ minutes

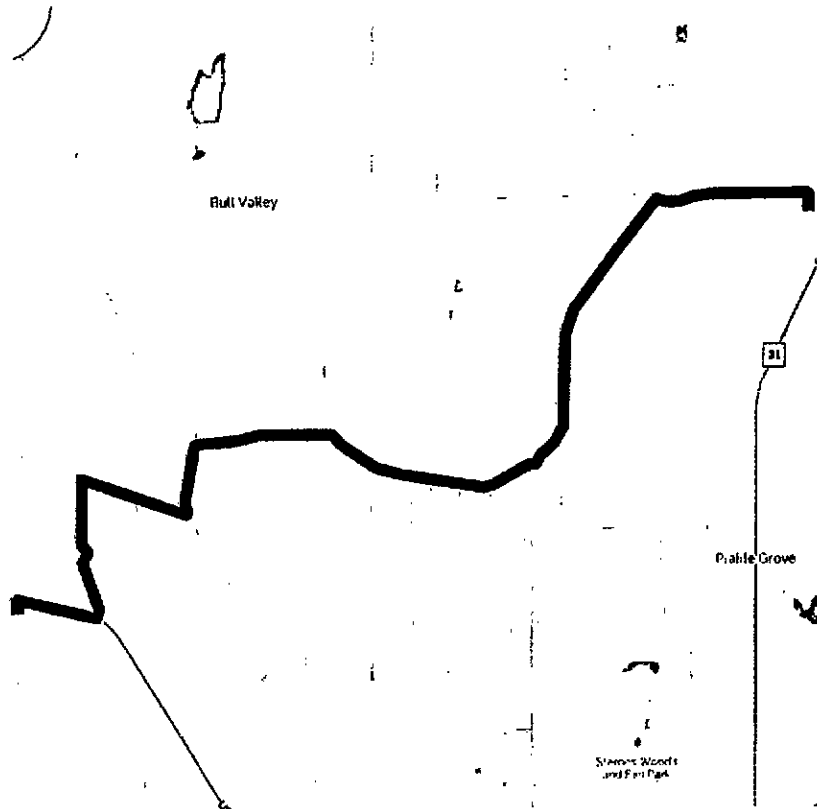
Est. fuel cost: \$8.87



Centegra Hospital - Mchenry

Trip time based on traffic conditions as of 11:55 AM on July 12, 2017. Current Traffic: Light

1. Start out going north on Doty Rd toward US Highway 14/US-14 E/US-14 W.
Then 0.18 miles 0.18 total miles
2. Turn right onto US Highway 14/US-14 E.
Then 0.63 miles 0.73 total miles
3. Take the 1st left onto Lily Pond Rd.
If you reach Ridgeland Rd you've gone about 0.7 miles too far.
Then 1.10 miles 1.83 total miles
4. Turn right onto McConnell Rd.
Then 0.86 miles 2.69 total miles
5. Turn left onto S Country Club Rd.
Then 0.53 miles 3.21 total miles
6. Take the 1st right onto Crystal Springs Rd.
If you reach Mason Hill Rd you've gone about 0.3 miles too far.
Then 2.80 miles 6.01 total miles
7. Turn left onto S Crystal Lake Rd.
Then 2.28 miles 8.30 total miles
8. Turn right onto Bull Valley Rd.
Bull Valley Rd is 0.2 miles past Cunat Dr.
If you reach Remington Trl you've gone about 0.1 miles too far.
Then 1.19 miles 9.49 total miles
9. Turn slight right onto Lawrence Pkwy.
Lawrence Pkwy is 0.3 miles past Ridgeview Dr.
If you reach IL-31 you've gone about 0.2 miles too far.
Then 0.15 miles 9.63 total miles
10. Take the 1st right onto W Medical Center Dr.
W Medical Center Dr is 0.1 miles past Lawrence Pkwy.
Then 0.00 miles 9.63 total miles
11. 4201 W Medical Center Dr, Mchenry, IL 60050-8409, 4201 W. MEDICAL CENTER DR is on the left.
If you reach Centegra Dr you've gone about 0.2 miles too far.

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